Decisions

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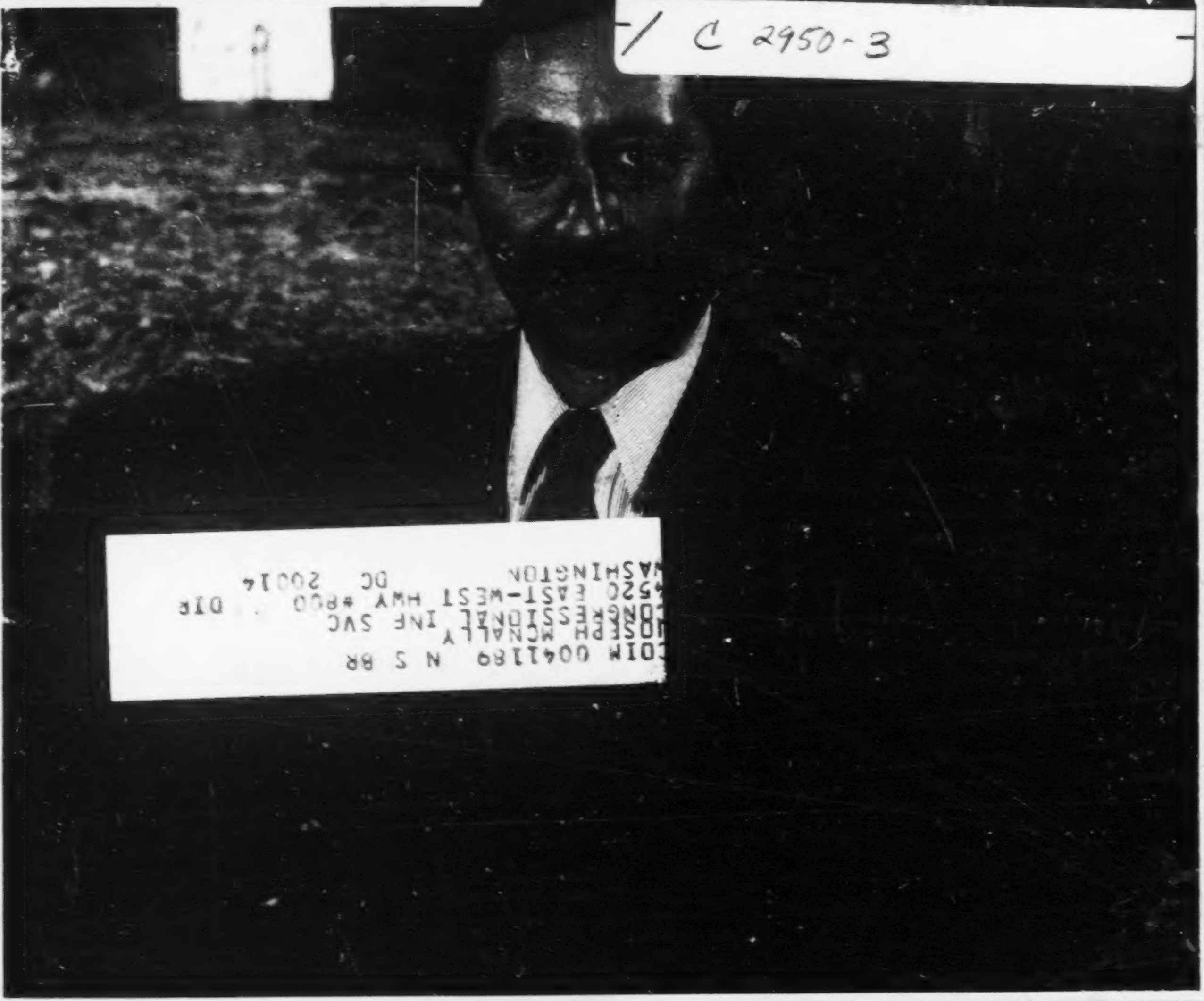

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The revival of network radio page 191

Will network news go to an hour? page 62

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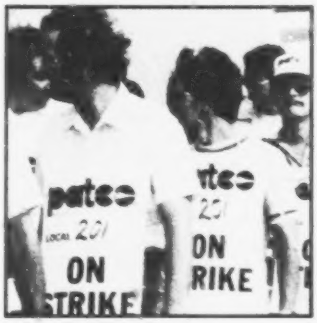

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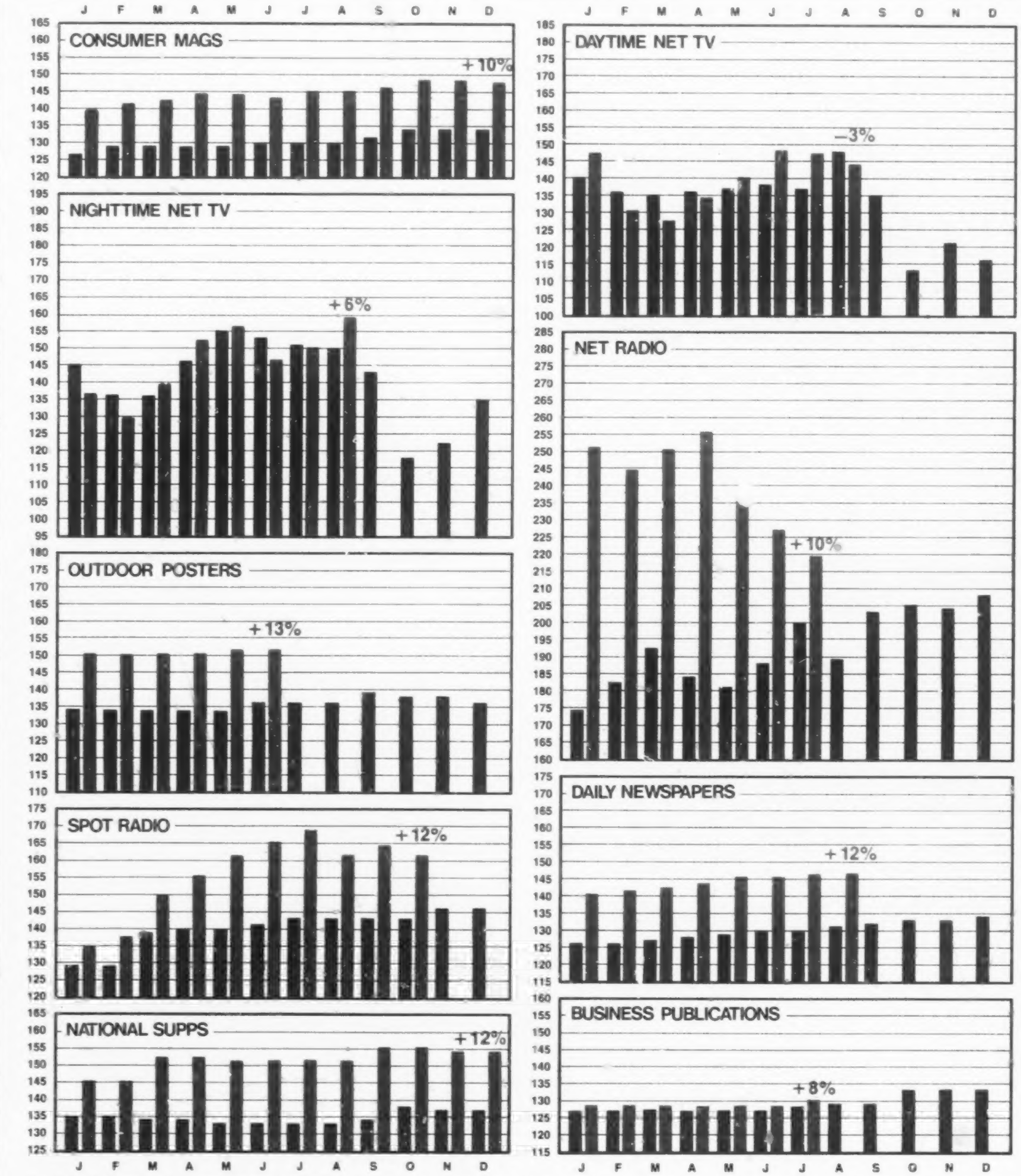
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page.

COST TRENDS
a Decisions analysis

Unit costs in all media continue to run ahead of last year, with one exception — daytime net tv. In August 1981, the most recent month reported by BAR, prices were 3% below the same month in 1980.

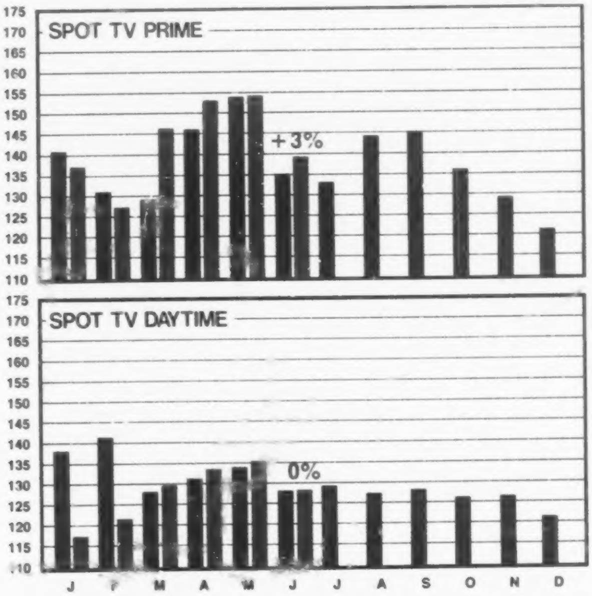
Spot radio has been experiencing an unusually good year, with a new spurt in prices reflecting this. Spot radio in 1980 (black bars in chart on page opposite) finished that year at index 146 (46% higher than in the base year 1977). Then in January and February of this year spot radio went through its normal seasonal lull, but the drop was nowhere near as severe as in the year prior. Since March, spot radio has been running well above 1980.

Daily newspapers are also showing consistent strength in prices — up 12% over 1980 in both July and August, the two most recently reported months. These followed a consistently rising trend in newspaper rates for the last two years.

Consumer magazines have maintaiged a 10% higher price pattern than in 1980 for the whole of 1981. The consumer magazine business, as pointed out in this issue's Print Month, can boast of considerable ad page gains in its special interest sector. There were some losses among mass books, but these were more than equalled by the good showing of the special interest publications. Hence the price rises.

National supps are matching the price strength of the daily newspaper medium, up 12% at year end 1981. The supps are confident — bolstered by new advertisers seeking a mass audience buy wanting to escape tv.

Business publications, although plagued by rising paper, postage and people costs as other print media, have held price rises to relatively modest increments since 1977. Most recent index for July 1981 is only 130 (30% over 1977).



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

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else.

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Walter Reichel vs. the tv nets

Ted Bates Advertising has assumed the boldest posture to date in the assessment of network under-delivery in pay cable households. Its solution: shift 5% of every packaged goods client's network tv budget to Ted Turner's WTBS Superstation. Media execs have been critical of the solution as too simplistic. But there is no denying that the study has struck a nerve on Madison Avenue.

Walter Reichel stood in the screening room of his agency, Ted Bates Advertising, and in a subdued voice that belied the controversial implications of his statement, said:

"We have recommended to all of our packaged goods accounts that they divert five percent of their network television budgets to Ted Turner's Superstation WTBS."

Reichel's recommendation was the bottomline conculsion of a research project perfomed by the agency to discover "The Impact of Pay Cable on Network Delivery and Indicated Remedial Action." It was also the capping presentation of the study's findings.

For the past seven months, Reichel, senior vp and executive director of media and programs, has been trying to sell the idea to all of Ted Bates' packaged goods accounts, while Joel Segal, the agency's senior vp-director of the network tv/radio division, negotiated a group discount with the Atlanta-based Superstation.

Six Ted Bates clients agreed to participate in the strategy, including Carter Wallace, Warner Lambert, M&M Mars, Kal Kan pet foods, ITT-Continental Baking and Mobil Chemical's Hefty Bags. In total, the six advertisers will transfer $2.7 million from their network tv budgets to WTBS this year.

Reaction to the proposal among media execs has been a blending of respect for the unabashed nerve of Reichel and Ted Bates for taking such a definitive stand on the issue of network under-delivery in the pay cable universe, and a feeling that the agency's search for a paradigm has led it to too simplistic a solution.

In short, no media director we spoke to agreed with Reichel's recommendation to put all of the diverted money into WTBS.

The study, which was design [illegible] executed by Barry Kaplan, vp-associate director of the media information and analysis division of Ted Bates, employed special Nielsen Television Index analyses of tv viewing in pay cable, basic cable and non-cable households to determine the extent of network under-delivery in each universe. The data was then applied to four different hypothetical schedules combining exposures on primetime or fringe network programing and on independent and superstations.

The conclusions of the study were twofold. First, it found that primetime network shares are steadily declining, especially in pay cable households and even more so during the re-run periods.

In pay cable homes, most of the networks' loss of viewer share is going to independent stations, whether local origination, distant signal or satellite-fed superstation.

Pay cable programing services, such as Home Box Office, have an impact only in late fringe in pay cable homes. Cable-originated programing, including USA Cable Network, ESPN, ARTS and Turner's own Cable News Network, among others attract a negligible share of total viewing hours.

Second, the study concluded that the primetime network under-delivery against pay and basic cable households could be remedied with minimal risk by cutting back a small portion (5%) of prime or fringe network weight and giving it to a superstation.

If everybody did what Reichel and Ted Bates have recommended, the transfer of 5% of all packaged goods network tv advertising could cost the networks as much as $100 million a year, according to Segal. While that development is unlikely at this time, the implications of the study for the future of cable-originated programing and the ultimate necessity of cable as a programing delivery system are, perhaps, ominous.

"In the pay cable home," said Segal, "the networks are getting killed by re-runs in syndication and by old movies. The viewers are not turning to cable programing itself. Without cable, however, the re-runs of *MASH* and *I Love Lucy* had not been avialable in primetime. But if those programs [illegible] brought to a particular market without cable, then yes, we could see a situtation where cable would not be needed."

The implication is that cable tv, to date, has developed into little more than an exaggerated delivery system that pipes in more hours of off-net programing. Narrowcast programs, in turn, are reaching a miniscule audience.

"It was no surprise to find that the independents were having an impact on network share," said Alec Gerster, executive media director at Grey Advertising, "but it has been an eye opener that commercial cable generates such low viewer share.

Joel Segal, Bates' senior vp-director of the tv/radio division, negotiated the group buy on Ted Turner's WTBS Superstation.

"Our media research department at Grey recently did some measuring in several hard markets. In Sacramento, for instance, we found that network share in non-cable homes was 94%.

"In cable homes, 57% of viewer share went to local originating broadcast stations. Of the rest, all but 4% went to distant signal stations. Almost none of it went to commercial cable programing."

Ted Turner, president and ceo of

Continued on page 122

REICHEL VS THE NETS (from 69)

Turner Broadcasting Co. which operates both WTBS and Cable News Network, concurred with Segal's statement on the impact of re-runs and old movies, but he failed to recognize the overall implications for his cable ventures.

"What people don't realize," said Turner, "is that WTBS has its strongest ratings in fringe and on weekends when we run the old movies against the network sports programing. I think the people at Ted Bates are beautiful for realizing this."

When asked if it worried him that the Ted Bates recommendatiion said, in effect, not to purchase Turner's CNN, the cable pioneer said, "I would tell them that they're wrong there. CNN is a good buy."

Another reaction to the Ted Bates study has been that it is seen as an effective lever in negotiating new rates with the networks.

Marcella Rosen, senior vp-media director at NW Ayer, said, "When I first heard about the study and the recommendation to divert the money across the board to a single source, the Superstation, I did not find myself saying, 'Gee, wish I'd thought of that first.'

"It is a great bargaining tool, however. Bates is saying that the networks are losing share and that their prices should come down accordingly. That just isn't going to happen, though."

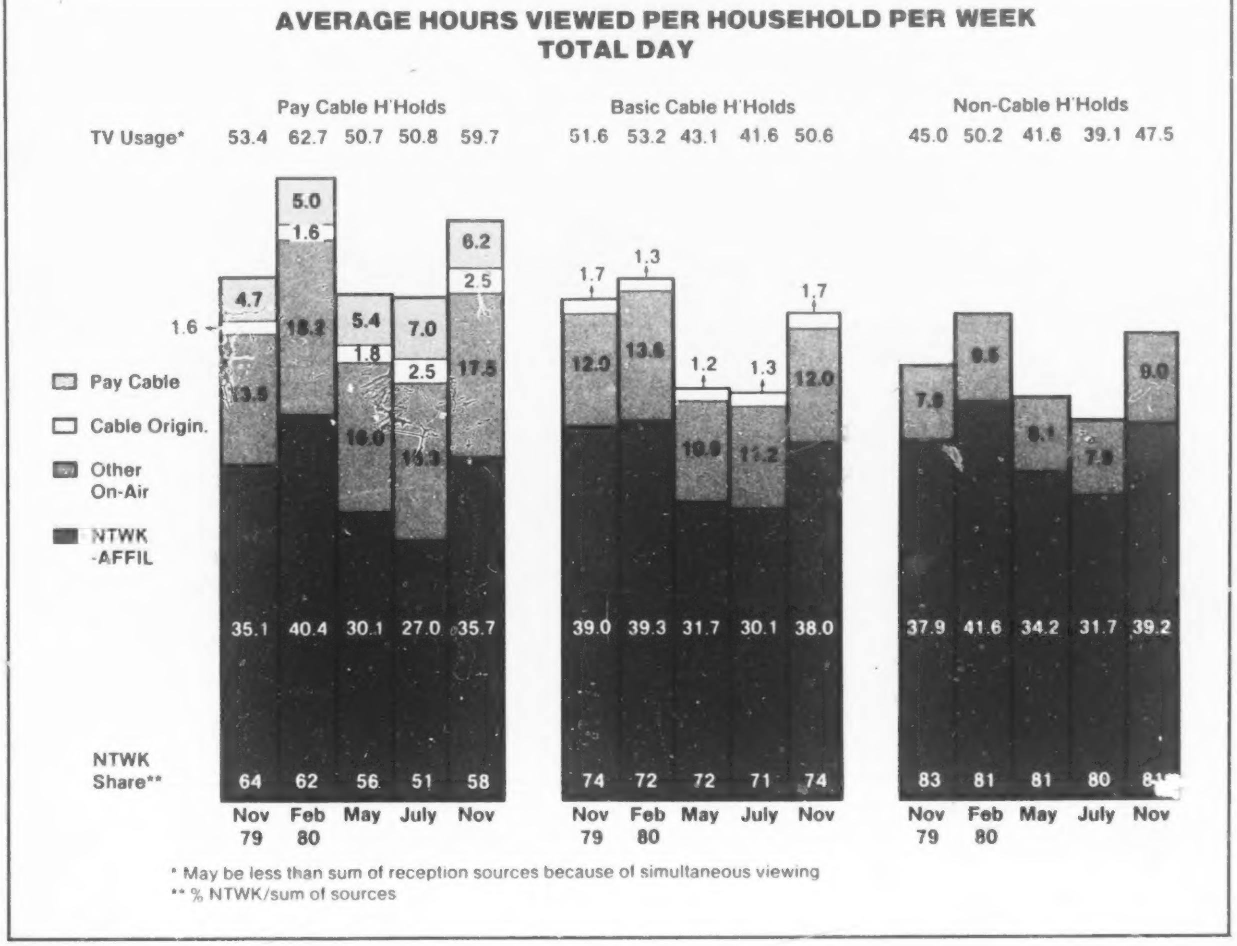
> **". . . Directionally, Bates is right on track. But the buying of one national station like WTBS is not the answer . . ."**

The bargaining chip may be more effective in obtaining a favorable rate with the Superstation, rather than with the networks. Richard K. Low, media director at Young & Rubicam and the man who negotiated General Foods' recent multi-year, $40 million buy with WTBS, said that the GF buy was done less to remedy loss of network delivery in the cable universe than to take advantage of a good deal.

"We were able to obtain unusual supplementary values which also provided favorable positioning for General Foods on WTBS," said Low. "But we would have to look at each client that uses network tv and make a decision on an individual basis. In some cases, transfering the money to WTBS may be the answer, but not in all cases by any means."

Ken Caffrey, senior vp-media director at Ogilvy & Mather, agreed in large part with Low.

"Directionally, Bates is right on track," said Caffrey. "But the buying of one national station like WTBS is not the answer. There are times when a client's best interests are served in



AVERAGE HOURS VIEWED PER HOUSEHOLD PER WEEK
TOTAL DAY

* May be less than sum of reception sources because of simultaneous viewing
** % NTWK/sum of sources

over-the-air programing. A compensatory delivery system has to be determined on a per market basis. It is too simplistic to take 5% across the board. Furthermore, the programing on WTBS is not comparable with the programing on networks. The comparison that Bates is trying to make is not valid."

Added Grey's Gerster, "I am skeptical about the way they took limited information, a schedule run through Nielsen, and extrapolated that something like WTBS is the answer. I wish it were, but I doubt it.

> **"... In pay cable homes, the networks are getting killed by re-runs in syndication and by old movies. The viewers are not turning to cable programing itself ..."**

"For one thing, spot buying on a distant signal station is not a simple quest. If you are buying a distant signal from the source, that's one thing. If not, how are you going to find it on a local market to know if you are getting the market rate?

"Spill-in has always been a problem in some areas like Hartford-New Haven, but distant market spill-in is an even tougher problem.

"We all wish there was one computer button you could push and get all of the answers. We all wish there was one easy way to buy spot. It used to be easy, but it's not anymore."

One major agency media director who asked not to be named told us, "I can really sympathize wish the problem Walter [Reichel] is trying to get at. But I can't buy the suggestion that the Superstation is the answer. I'm more curious as to what Bates is really trying to accomplish by releasing this report."

Whether the Ted Bates study is the solution to network under-delivery in cable homes or whether it is a tactical weapon in the ongoing battle to drive network primetime rates downward, it is certainly a harbinger of media thinking on planning and buying in the new technologies universe. And the answer is apparently coming up: independent stations.

Craig Reiss

Viewpoint

How to catch an audience on the fly

Product manager Joe Russell and manager of marketing communications R. E. Sanders of Rogers Corporation, Rogers, Conn., decided to direct their message to business men who travel a lot by using an unusual medium. They picked airline magazines on lines well traveled by production engineers. Result was the ad shown at right in Allegheny Flightime — followed by some worthwhile inquiries and comment. Joe Russell has since moved to another product manager spot with Royal Business Machines in Hartford.

What should an advertiser do when the target audience is on the road pursuing a hectic travel schedule which leaves no time to read trade magazines, no time to read anything but the hottest incoming mail, no time to see salesmen, is out of the office when you call, won't answer phone messages, doesn't know that you make the product — and, you have to accomplish it fast?

Give up? So did we at first. But, as we continued to consider who it was we wanted to reach, and what they did with their time, a possible solution began to emerge.

The audiences we wanted were employees of business machine manufacturers in specific positions where they could influence the buying decision almost single-handedly: product managers, product line managers, service managers, design engineers, and engineering managers. The target markets were small, and the number of people we wanted to reach were few in number. One target was very well defined, and participating companies readily identifiable. There were, however, two emerging markets, sisters if you will of the primary target market, where we were on something of a fishing expedition in hopes of identifying newly emerging or about-to-emerge companies.

Business machine people work under pressure — lots of it. And the people we wanted to reach are among the busiest, most pressured of all. New machines keep emerging on what seems a faster and faster track. Older machines develop problems which can drive customer service people and service managers up a wall.

Service costs have escalated to the point where machine producers must concentrate a larger part of their resources on preventing unscheduled

FREE INFO on a market for sales greater than several States!

FREE INFO on the one medium that daily delivers nearly half the households in a market for sales greater than several States!

FREE INFO on the one medium in a market for sales greater than several States that daily delivers more in any age bracket ... more of any income group ... more at any education level!

FREE INFO on the great State paper of the "Great State of Michiana"! Call now or write!

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Albert E. Petersohn, General Advertising Manager
South Bend, IN 46626 • 219/233-6161

we all have to play by, they deserve to be in the condition they are in.

Although we might empathize with their situation, when the finger of blame is pointed it should not be at the advertising community. If lack of advertising support ultimately caused the problems of these papers, it was because in making logical decisions about our business we were not convinced that these sick papers were worth buying.

Will we see more failures in the future? Most certainly. Can they be avoided? Obviously, not entirely. But to have a better chance, newspapers should at least begin selling better.

In the circulation area publishers need to sell to readers by creating newspapers that meet the needs of their market. Large city dailies should get serious about suburban editions, not just create fluff sections put together for the sole purpose of selling a little more ad linage. They need to come up with fresh editorial ideas which will spark the reader's interest and curiosity. They need to develop methods of distribution which make it easier for the reader to get to and to spend time with the publication. They need to develop their product to meet the reader's needs and to market it in a way that is convincing.

In terms of selling to advertisers, newspapers have to mount more intensive, more competitive efforts. I recently attended a local tv station's presentation on retail advertising. I saw a tight, well put together demonstration of case studies complete with results. I learned how and why retailers were using tv. And why they would use more.

The last newspaper pitch I attended included a fifteen minute travelogue of the market topped off with pictures of the new presses! Newspapers need to come in with examples of how the paper is being used and how that usage pays off in advertiser sales results.

Newspapers need to be more amenable to new and unique ideas from advertisers. The thought of an advertiser "sponsoring" the sports scores in newspapers strikes editors as an attempt at advertiser control of editorial although sponsoring techniques like this in other media are used all the time.

Newspapers are a business.

To survive they need to operate effectively against the entire competitive spectrum as a business.

If they don't, what happended recently in Washington, New York, Philadelphia and Boston will occur with ever increasing frequency. ■

RADIO
by ROGER C. BUMSTEAD
senior vice president,
The Marschalk Co., N.Y.

Network radio has what catv is supposed to have

This is a column on radio . . . it may seem odd to open it with some points about cable and over-the-air tv, but the radio message is here. Read on!

* * *

"Cable-itis" appears to have swept the ad world on an epidemic scale. It is a disease ultimately afflicting the revenue life blood of the over-the-air tv broadcasting establishment. It appears to be feverish — intermittently affecting the logic and disciplines of the advertiser/agency community, however.

There is no question that the rapid ascent of catv household penetration has had — and will have even more so — negative impact on viewing levels for OTA TV in all dayparts, but particularly in the prime viewing hours. A three-network share of prime viewing *decline* of 25% by 1990 seems to be the consensus. However, remember that over 70% of the homes will still be viewing the ABC, CBS plus NBC-TV networks/affiliates. Remember, as well, that most of these lost viewers have tuned into pay cable which, at least for the present, is immunized from advertising.

One major agency, aided by a mid-September hay fever upsurge, advocated the allocation of 5% of its client's primetime budgets to WTBS, the super station as a means of compensating for the loss of these viewers. Not a bad tactic, despite negative critiques from other buyers, solely from the standpoint of putting pressure on the network's pricing practices. Congratulations, Walter!

Simultaneously by satellite, at the *Marketing & Media Decisions* 15th Anniversary Panel (reported elsewhere in this journal), Benton & Bowles' Mike Moore advocated a more objective and disciplined approach to the malaise. Lifting a key phrase, he said: "Do not compromise your media values in the name of experimentation . . . "(i.e., with Cable).

That is in line with the action plan, I expouse.

Consistent with an advertiser's marketing and media objectives – employ network radio and catv to com-

Radio network facilities — October 1981

Operational or contemplated

Radio network	# Affiliates	Service/programing	Status
CBS Radio Network	420	News, features, major sports events	On air (1927)
RadioRadio (CBS)	TBD	Young adult orientation (16-34)	Early 1982
NBC Radio Network	355+	News, features	On air (1926)
The Source (NBC)	176	Music, news, features/young men	On air (1979)
NBC #3	TBD	TBD	1982
NBC #4	TBD	TBD	1983
ABC — Information	577	News/commentary/features	On air (1930)
ABC — Contemporary	364	News/young adult features (music)	On air (1968)
ABC — Entertainment	478	News/commentary	On air (1968)
ABC — FM	174	News/young adult features	On air (1968)
ABC — #5 (Directions)	TBD	News/talk (adults 35-54)	1982/83
ABC — #6 (Rock)	TBD	Young adult orientation (adults 18-34)	1982/83
ABC — #7	TBD	Program mode service	Spring 1982
Mutual Broadcasting System	900	News, commentary, music features	On air (1934)
RKO — #1	225	News, short-form features, "Night Time America" (adults 25-34)	On air (1979)
RKO — #2	TBD	Hard news, information, "America Overnight" (adults 35+)	On air (1981)
RKO — #3 (Radio Shows)	TBD	Programming service	TBD
Satellite Music #1	150	Music (star station) — Adult pop sound	On air (1981)
Satellite Music #2	?	Music (country coast-to-coast)	On air (1981)
Satellite Music #3	100+	Music (Bonneville), beautiful music	On air (1981)
Transtar	20+	Music — Target Adults 25-34	1982
Continental Radio (CBN)	TBD	Religious orientation; music, features	1982
Sheridan Broadcasting	103	Black; news and commentary	On air (1975)
National Black Network	91	Black; news & features	On air (1973)
American Black Information Network (NBN)	30+	In depth features of interests to blacks	(Jan, 1982; Tentative)
TRN (Turner Comm.)	TBD	News	1982
Starfleet Blair	Varies	Boston Pops, Other Specials	On air (1980)
Enterprise Radio	75+	Sports	Suspended Svc. 19/81

SOURCE: Broadcasting 8/17/81, Marschalk/Media Research

NOTE: Plus 5 "Rep Networks"/Non-Line or Satellite (Blair, Eastman, Katz McGavern-Guild, Torbet). Additionally, industry sources estimate that there are over 20 State Radio Networks primarily in the South and North Central States.

pensate for viewing declines, high costs and the clutter of over-the-air tv. But continue to utilize network tv, bought much more selectively. An Ideal Marriage.

Recent investigations into the use of advertiser supported cable networks have shown me a similarity between their delivery, pricing and selectivity with network radio.

Why network radio?

Network radio has the lowest cpm and the lowest cpm increase since the '60's of any national media form. My friend Bob Coen has charted that point in his annual reports from McCann-Erickson.

Network radio can deliver not only frequency but high reach levels, as well. My neighbors (the ABC Radio Networks are 19 floors above my office) or their competitors can prove that statement within a reasonable cost framework. A 15 commercial weekly schedule across eight radio networks cumes reach levels in the 60-70% range of any significant age demo in 4-weeks with a worthy six-time average frequency or better (Radar #23, Spring 1981).

If any one company deserves plaudits for both faith in radio networking and courage in business, it's ABC Radio which pioneered the multi-network concept over 12 years ago, when tv was in its hey day.

Network radio offers an advertiser better target selectivity (as does catv). My chart delineates, as accurately as we could, present and planned radio network facilities or programing services available now or in 1982 for advertising. There are 27 options on Exhibit A. The same satellite technology which is building cable tv is permitting this explosion in radio network facilities.

Network radio (and cable to a lesser extent) is a more effective tool to reach elusive tv viewers — like working women, managerial and sales executives or young adults — all of whom are generally better prospects for the purchase of most products and services. SMRB 1980 is my support for this point, and I assume the 1981 report will corroborate it further.

Network radio already provides a wide range of national geographic selectivity purely as a result of each network's affiliate line up, but there will be an increasing capability (due to transponder sub-channels) to run geographically oriented radio network commercials in different areas.

Network radio provides opportunities for an advertiser to look big — through sponsorships of special events of either a news or entertainment event (Bless you CBS Radio for putting the World Series back on radio a few years ago. Who can forget the thrill of the Olympics - thank you ABC Radio).

Network radio is an inflationary hedge, has no inherent risks (i.e., experimentation) and is kind when it comes to the cost of making ads.

My "across the street" neighbors at the NBC radio network have put it all together in a 25 minute informative, entertaining, authoritative cassette presentation. It's also statesmanlike — so give Kevin Cox a call: (212/664-3986) if you haven't seen it. Its title says it too: "Radio Means Business".

New Orleans
The Times-Picayune/The States-Item
super coverage...

DAILY 68% | SUNDAY 76%

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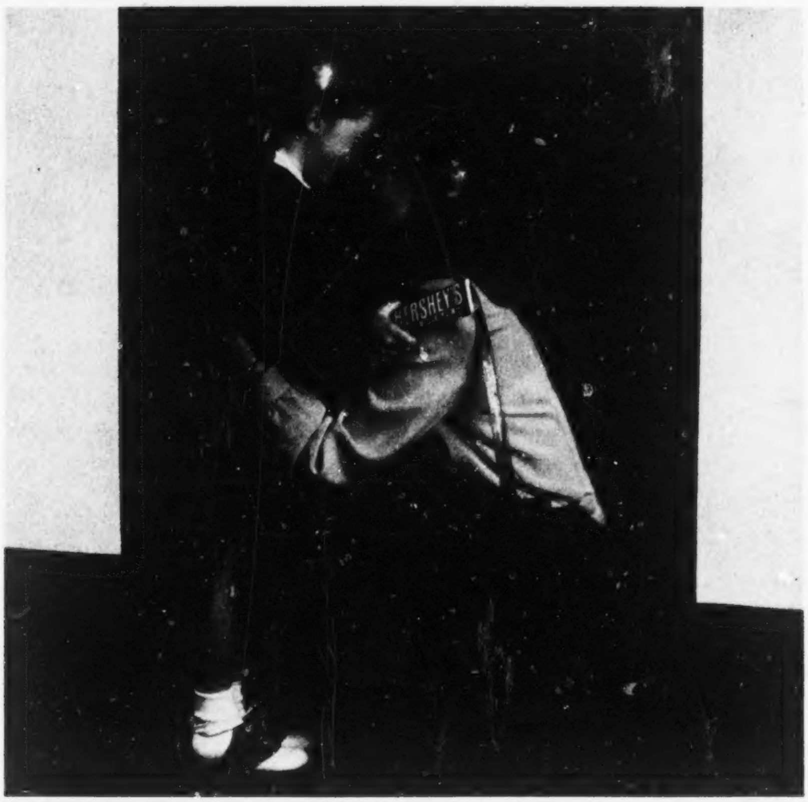
That's great coverage but for super coverage, there's **Target Plus**. Delivered in an area that contains some of Metro New Orleans more affluent neighborhoods, this weekly product makes it possible for advertisers to reach subscribers with the TP/SI, and nonsubscribers with **Target Plus** without unnecessary duplication.

For details about the New Orleans market and The Times-Picayune/The States-Item, call:

Lester Key
National Advertising Manager
(504)586-3769
Or Your Newhouse Representative

The Times-Picayune/The States-Item
ONE GREAT NEWSPAPER

Source: 1981 Sales & Marketing Management Survey of Buying Power
1980 New Orleans CMS, Belden Associates



BRAND REPORT 70:

Candy and gum

Candy bar sales are at their lowest level in 43 years. As marketers move to boost sales, they are discovering the adult sweet tooth, and moving from Saturday morning television to fringe and primetime to reach it. Excitement in the gum market is focused on several new products and the reintroduction of saccharin.

A decade ago the chocolate champ, Hershey Foods was selling all the candy bars it could produce without spending hardly a dime on advertising.

Its founder, Milton S. Hershey, insisted that the way to get into the consumer's mouth was to "give them quality. That's the best kind of advertising in the world," he said.

Today, Hershey spends less on advertising than many of its major competitors, but is committing approximately $21 million to support its rapidly growing selection of candy bars.

Combined, candy and gum manufacturers spend upwards of $225 million in measured media. About 58% of those dollars are poured into network television and 33% in spot television. Marketers say television captures such a large percentage because candy bars are consumed by almost everyone, necessitating mass media buys. Highly visible advertising also is required, they say, because the greatest competition between companies takes place when the consumer surveys the wide variety of choices at the grocery store, movie theatre and candy shop. They want their package to be recognized instantly — practically pre-sold.

In a significant media shift, marketers are allocating more ad dollars to reach adults during daytime, fringe and primetime periods. As a result, Saturday morning's share of the pie is decreasing.

Candy

M&M Mars began moving ad dollars away from Saturday morning tv in 1977. Now less than 5% of the available Mars ad dollars are on that weekend morning, according to director of marketing Jos Stalenhoef. "We realized that candy is not just eaten by children. More than 50% of the candy consumption comes from children 18 years or older," he says.

Marketing news in the candy and gum business has been focused or price wars between the leading candy marketers, M&M and Hershey, highly successful new bubble gums and the reintroduction of saccharin in sugarless gums.

Last fall, Mars took the industry by surprise announcing a 10% size increase for its Mars candy bars without a subsequent price increase. It reasoned that sales of its bigger bars would be so strong that rising production costs could be met.

That decision was made public with a $1.2 million broadcast and print campaign emphasizing the greater value. Increased sales were the result throughout much of 1980. But in September Mars boosted its prices five cents to 30 cents, explaining that despite this year's decline in cocoa and sugar costs, it could not meet inflationary strains on the company.

Hershey vs. Mars

Hershey was bewildered by the Mars move last fall. And this year it is not following in Mars direction either. Hershey made public its determination to hold the line on its prices. It used newspaper ads in 70 markets to say so.

For more than a decade, Mars and Hershey have been battling for the candy market lead. Hershey, once the chocolate champ, was dethroned by Mars more than a decade ago. But Hershey has fought back. It named its first consumer advertising agency in 1968 after 66 years without consumer advertising. In recent years, it has brought out a host of new products aided by a new research facility. With the introduction of Reeses Pieces and Whatchamacallit, Hershey has inched closer to Mars than in several years. It now holds approximately 30% of sales compared to Mars 36%.

Mars advertising expenditures far exceed Hershey's. In 1980, Mars spent $51 million in media measured by Leading National Advertisers, Media Records and Broadcast Advertiser Reports while Hershey spent $21 million. Both companies, however, increased their spending levels substantially from the previous year — Hershey by 18% and Mars by 28%.

Such increases come at a time of troublesome signs in the candy business. People are eating fewer candy bars. Comsumption is at a 43-year low. Four years ago, the average person ate more than 17 pounds of candy a year but now the average is closer to 15 pounds. Dollar volume is up because of price increases, but rising costs are anything but a good omen. The Department of Commerce in its annual look at confectionary sales reports that sales of candy climbed to $4.6 billion in 1980 from $4.2 billion the previous year.

> **"We realized that candy is not just eaten by children."**

In the candy market recently, newspapers have seen more spending than is typical as Hershey and Mars broke campaigns announcing price news. Mars, introduced its value campaign last fall with a $1.2 million campaign outlining increases in bar sizes while holding prices. It chose not to advertise the fact that it is increasing its prices this fall by 5 cents.

Hershey, which made no move after the Mars announcement last fall, this year ran a 70 market newspaper campaign emphasizing its intention to hold its prices at the same level.

Mars continues to heavily support its most popular brands, M&M's, Snickers, Milky Way and Three Musketeers. The target is adult and the primary medium primetime television.

Saturday morning television is no longer prominent in Mars' media since a 1977 marketing shift. Director of marketing Jos Stalenhoef reports that less than 5% of the television is on Saturday now - replaced by family programing. The shift was made not because of controversy over advertising sugared products on television to children but because of the company's new awareness of the adult market.

Stalenhoef notes that most Mars candy bars have very broad targets. Commercials show people of all ages exclaiming how good Mars candy bars taste.

Recently launched products include Twix and Summit, which both received substantial increases in media support. Twix has a $7.6 million budget, an increase of 66% from the previous year while Summit's budget jumped 52% to $6.1 million. Also receiving large increases in advertising were two extremely popular Mars brands: M&M's, which ranks third among candy bars; and Snickers, the sales leader. M&M's familiar message "melts in your mouth not in your hand" is delivered to consumers via a $10.3 million in advertising support.

Milky Way's ("three great tastes in one bar") message is smaller for a less popular brand. It is the ninth selling brand on the market and its ad budget is set at $3.2 million.

Hershey moving against Mars

Mars candy bars have seen increasing competition from Hershey's. Hershey's chocolate almond bar has moved from seventh to fifth place in sales, shoving Mars' Three Musketeers aside. Kit Kat has moved up a notch from eighth to seventh place, while Hershey's milk chocolate has inched up to eight from ninth position, displacing Milky Way.

Coupled with the improved sales picture for its established brands, Hershey has launched Reeses Pieces (a product similar to M&M's but with peanut flavor) and Whatchamacallit, a candy bar with peanut butter cream, and rice covered with chocolate. A spokeswoman for Hershey said What-

Product proliferation in candy and gum

The proliferation of new products on the candy and gum racks is mind-boggling. Here are the principal players.

In candy . . .

MARS
- Mars bars
- Snickers
- Starburst
- Milky Way
- Three Musketeers
- Twix (new)
- Summit (new)
- M&M's

HERSHEY
- Hershey bars
- Reeses Peanut Butter Cups
- Reeses Pieces
- Whatchamacallit
- Kit Kat
- Big Block (2 oz.)
- Score
- Rollo

NESTLE
- Crunch
- $100,000 Bar

PETER PAUL/CADBURY
- Peter Paul Mounds
- Almond Joy
- Cadbury bars

In gum . . .

WRIGLEY'S
- Hubba Bubba
- Doublemint
- Spearmint
- Juicy Fruit
- Big Red
- Freedent
- Orbit

LIFESAVERS
- CareFree
- Supradent
- Bubble Yum
- Replay
- Beech-Nut

AMERICAN CHICLE
- Trident
- Bubblicious
- Dentyne
- Freshen-Up
- Chiclets

chamacallit is a unique combination of ingredients and signifies a trend toward a lighter, crisper candy bar. Both products were introduced in the fall of 1978, both using heavy amounts of spot television until the brands went national this year. This necessitated a switch to network tv.

Hershey also introduced a larger bar size for all its brands. Called Big Block, it comes in 2 ounce sizes. Advertising is to adults during daytime and fringe periods. The "thick" Hershey's chocolate taste is emphasized.

Also in test market currently in Dallas and St. Louis is a buttery toffee bar surrounded by milk chocolate, called Score.

A Hershey spokeswoman credited the new product activity to the development of an in-house research facility in 1979.

Hershey's top-selling brands, Reese's Peanut Butter Cups and Hershey's milk chocolate and milk chocolate with almonds, are advertised in primetime because of their broad target audiences, according to Mike Vaughn, vp and management supervisor of the Hershey business at Ogilvy & Mather.

Reese's Pieces now national

Reeses Pieces is moving more heavily into network television since the brand has become national but spot television is still used, he said.

Rollo, a chocolate covered caramel product, is targeted to children and teens with Saturday morning television buys and network radio to reach teens, Vaughn said.

As a sign that Hershey has taken note of the women entering the work force, Hershey has begun a magazine campaign aimed at that market.

"We know that everyone from age six to age 60 enjoys the Great American chocolate bar but we want to improve our delivery against working women," Vaughn said. Hershey's chocolate bar receives $4 million in television time while the print campaign is worth about $250,000.

While Hershey and Mars claim the leading spots in candy sales, Nestles Crunch bar holds the number 12 spot. While spending levels for Nestles Crunch were slightly down last year from $4.4 million to $3.8 million, the bar recently received a new creative treatment, which puts less emphasis on the ingredients and more on eating enjoyment. Nestles $100,000 Bar was recently reformulated in its second taste change. The bar is heavily advertised on network radio with minimal use of television.

With the merger of Peter Paul and Cadbury Schweppes, both companies have been able to hold their own despite rising ingredient prices and lagging candy bar sales overall.

The company's most popular brands are Peter Paul Mounds and Almond Joy, ranked in the top 20 candy bars and supported with a budget of $4 million, heavy in network and spot television.

> "We want to improve our delivery against working women."

Believing that the way to boost lagging candy bar sales is to market to adults and to aggressively promote nutrition, most of the Cadbury and Peter Paul brands reflect that philosophy.

For instance, Cadbury chocolate bars show a businessman on a train who has trouble keeping the bar to himself.

The chief executive officer of Cadbury, N. Dominico Cadbury, has noted that "the industry suffers from the perception that the candy bar is bad for you. We need a much more mature image to survive bad times."

Gum

Rising prices have plagued gum marketers too. But preoccupying Wrigleys', American Chicle and Lifesavers is the search for ingredients to satisfy mass tastes.

Controversy about saccharin-sweetened gums continues to keep the market volatile.

Early this year, Lifesavers restored saccharin to CareFree. In the late 70's, gum manufacturers had jointly agreed to eliminate saccharin because of widespread concern and publicity linking saccharin to cancer. Sugarless gums were reformulated.

But consumers did not like the taste

Top 10 media spenders in gum market

	Total	Magazines	Supps	Net tv	Spot tv	Net radio	Spot radio	Newspapers
Wrigley's	$26,220,100	—	—	$18,037,200	$7,040,100	$1,142,800	—	—
Trident	9,671,200	—	$147,800	6,051,000	2,390,700	1,081,700	$ 49,027	$200,493
Freshen-UP	7,542,500	—	—	5,580,000	1,701,700	260,800	—	726,650
Chewels	7,453,500	—	—	3,826,400	2,696,800	912,600	—	—
Hubba Bubba	7,046,400	—	—	5,746,000	964,900	335,500	591,009	—
Big Red	6,718,500	—	—	3,821,000	2,897,500	—	—	—
Bubblicious	5,140,400	—	—	2,031,400	2,392,300	734,700	—	—
Dentyne	5,030,400	—	—	3,375,100	712,200	943,100	—	—
Freedent	4,493,800	—	—	3,359,700	1,134,100	—	—	—
Orbit	4,217,400	$611,300	—	3,163,700	442,400	—	—	—

Sources: LNA/BAR; Media Records; RAR/RAB.

of the new sugarless gums and sales dropped by as much as 10-15% a year.

Lifesavers' test

Taking its cue from soft drink marketers who continued to use saccharin with good sales results, Lifesavers began testing a saccharin-based gum. The first test of this idea was made with last year's launch of Supradent. That proved successful, and this year Lifesavers has added saccharin to its leading sugarless brand, CareFree. It carries a small warning label. Wrigley's sugarless gum, Orbit, is also using saccharin.

American Chicle, however, continues to market Trident without saccharin. Last summer, it boasted of that decision in broadcast and print, and on its packages.

The bubble gum category continues to perform well since the introduction five years ago of soft bubble gum. Lifesavers lead the pack with the introduction of Bubble Yum and was quickly followed by American Chicle's Bubblicious and Wrigley's Hubba Bubba. Bubble Yum leads that category despite its heavily advertised imitators.

Sales of bubble gums have reached $460 million, including both sugared and sugarless bubble gums. Sugarless gums have climbed to $186 million. But the sales leader remains sugared gums.

Almost synonymous with sugared gums is the Wrigley Company, which claims 70% of that category's sales with such old-time favorites as Doublemint, Spearmint and Juicy Fruit. But Wrigley's share of the overall gum market drops to about one third when sugared and sugarless gums are added.

Lifesavers is moving the sugared category. This year the company launched Replay, a longer-lasting flavor gum aiming to battle Wrigleys, according to vice president Robert Denny.

In media selection, television is the number one choice of candy and gum marketers. An increasing amount of money is being poured into network television, a lesser percent into spot tv. In 1980, net tv grabbed 58% of the available ad dollars while the year before it was allocated only 49%. Spot television, by comparison, saw 33% in 1980 compared to 44% the year before.

Network radio is an important medium for the candy and gum industry. Marketers point out that it is used to reach teen-agers, an important consumer segment for this market, and to

Top 10 media spenders in candy market

		Magazines	Supps	Net tv	Spot tv	Net radio	Newspapers
M&M's	$10,350,900	—	$145,900	$7,736,500	$2,468,500	$ 52,110	—
Snickers	10,228,900	—	—	7,320,100	2,908,900	—	—
Twix	7,572,900	—	—	3,231,300	4,341,600	—	—
Summit	6,112,400	—	—	2,004,200	4,108,200	—	—
Starburst	4,762,300	—	—	2,436,900	2,118,600	206,800	—
Hershey Candy	4,425,600	$227,300	—	4,029,000	169,300	—	—
Reeses Candy	4,000,700	—	—	3,895,700	105,000	—	—
Peter Paul Mounds	3,945,100	—	-	3,117,400	827,700	—	$69,298
Nestle Crunch	3,833,200	—	—	2,653,500	1,179,700	—	—
Three Musketeers	3,518,400	—	—	1,831,000	1,687,400	—	—

Sources: LNA/BAR; Media Records; RAR/RAB.

increase frequency against that target. The medium gets about 6% of overall ad dollars.

Marketers say they don't use much print because they need tv's broad reach. However, some brands more narrowly define their targets. American Chicle's Trident uses women's magazines to reach mothers who are concerned about the type of chewing gum their children buy. Overall, magazines get nearly 2% of the advertising money.

Newspapers are the medium for quick news developments such as changes in price or size, getting close to 4% of the money.

Newspaper couponing is a rare marketing strategy. Items are priced low so coupons would probably not be worth much. Ronald Cox, vp-marketing at Wrigley's, points out that a penny off price offer would not be worthwhile because it would cost the company a good deal more than that to distribute the coupon.

Wrigley's $50 million

Wrigley's, the long-time leader in gum sales, is a firm believer in the impact of advertising. It spends nearly $50 million to support its brands.

"Advertising is extremely important to the health of our company," says Ronald Cox, vp-marketing. "Our earnings declined slightly last year but we did not reduce our advertising support. We believe in continual, visible and effective advertising."

About half of Wrigley's advertising supports its leading sugared gums — Doublemint, Spearmint and Juicy Fruit. But support for these Wrigley's brands decreased to $26 million in 1980 from $32 million in 1979. The Chicago-based company is putting more muscle into marketing newer and repositioned gums.

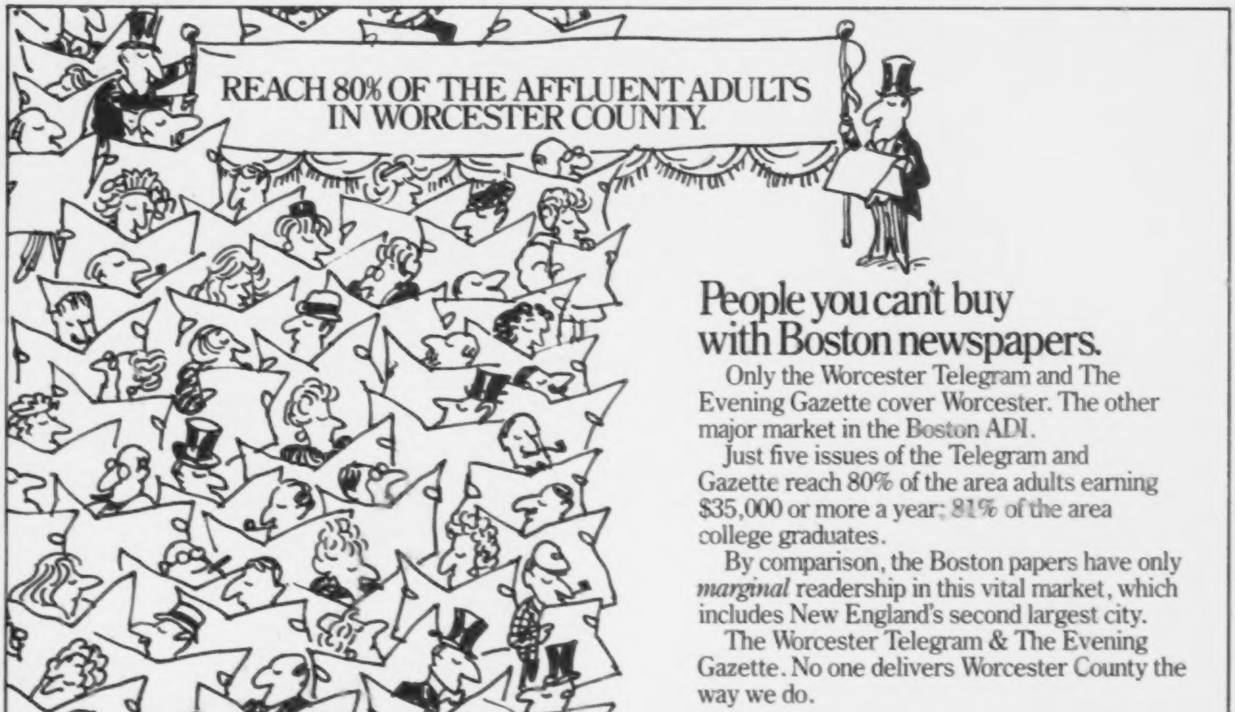
Hubba Bubba, Wrigley's competitor to Lifesaver's successful Bubble Yum is promoted with $7 million primarily on Saturday morning tv to reach children but with some primetime and a network radio campaign to reach the teenagers.

Big Red, recently repositioned to take on American Chicle's Dentyne, has been receiving increased amounts of spending. Last year its spending level climbed to $7 million.

Wrigley's Big Red had seen three years of double-digit drops in sales. But it now ranks as the fastest growing gum in the Wrigley stable. Cox has credited that growth to its new positioning as a breath-freshening chewing gum advertised at a level of $5 million in 1980.

Freedent has been increasing its share of market since its 1974 introduction. It is aimed at denture wearers but is discovering new buyers among children wearing braces and denture-wearing hockey players.

Orbit, Wrigley's sugarless gum entry in a category dominated by Warner-Lambert's Trident and Lifesaver's CareFree, has recently been reformulated with saccharin. But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M&M MARS

NO NEWS IS GOOD NEWS

Hershey is holding the line on candy bar prices.

An increase in the wholesale price of some candy bars was recently announced.

We want you to know that Hershey is not raising the price of any of its candy bars. Why? Because our business conditions do not necessitate a price increase.

Hershey has always maintained a policy of offering quality products at the best possible consumer value. And that shouldn't be news to anyone.

HERSHEY'S

Makers of: The Hershey Bar (Plain or with Almonds) • Krackel • Kit Kat Special Dark • Rolo • REESE'S Peanut Butter Cups • Reese's Pieces REESE'S Crunchy Peanut Butter Cups • Mr Goodbar • Whatchamacallit

Newspapers have been the major battle ground for price announcements from the leading candy marketers, Mars and Hershey. Over the past year, Mars has increased its bar sizes without raising the price but was eventually forced to boost them. Hershey prices have remained at the same level.

curiously, the product is not being supported by advertising although its ad budget was set at $4.2 million in 1980. Cox noted that last year Orbit was advertised in women's magazines to reach concerned mothers and also on television. Both campaigns have been dropped. He said a new effort may be in the works but refused to elaborate.

American Chicle: some old, some new

American Chicle, a Warner Lambert subsidiary best known for Dentyne and Trident has been aggressively marketing two liquid center gums, Freshen-Up, which is sugared, and sugarless Chewels.

One of America's long-time favorites, Dentyne, remains a highly successful gum positioned as a breath freshener. The brand is supported by $5 million in advertising. But the more recently introduced items, such as Freshen Up and Chewels, are receiving heavier doses of advertising. To launch Chewels nationally last year, American Chicle poured $7.5 million into media, nearing the level of support last year also for Freshen-Up.

Trident, which has been tied with CareFree, for the number one spot in sugarless gums, carries a $10 million budget. That amount includes a magazine campaign aimed at mothers concerned about the sugar content of gum.

> "It's the only gum market category Lifesavers has not effectively competed in."

Although several other sugarless gums are being reformulated with saccharin, Trident is sticking to its guns. Last summer it broke a broadcast and print campaign to alert consumers that it was not following suit and to minimize the effectiveness of Lifesaver's saccharin move.

Lifesavers — most aggressive

Lifesavers has clearly emerged as the most aggressive marketer. It was the first to launch a soft bubble gum called Bubble Yum — which its competitors quickly duplicated before Lifesavers snatched all the sales. It is the first to relaunch saccharin-based gums and is also taking a strong shot at Wrigley sales with a "breakthrough" product which time-releases the gum's flavor throughout the chew.

Lifesavers is not advertising Beech-Nut, one of its most historically successful brands. Instead, at the end of last year, it rolled back the price of the product to 20 cents, five cents lower than other popular brands. Lifesavers' newest and biggest gamble is called Replay. Vice president Robert Denny, in a lengthy explanation of where Lifesavers stands in the market, sums up the company's reasoning:

"CareFree was the leader in sugarless gums in the early seventies and now it is tied with Trident for leadership," says Denny. "Bubble Yum is the leader in bubble gum. The regular gum market has been big over the years but there has been no dramatic growth in this category. It is the only

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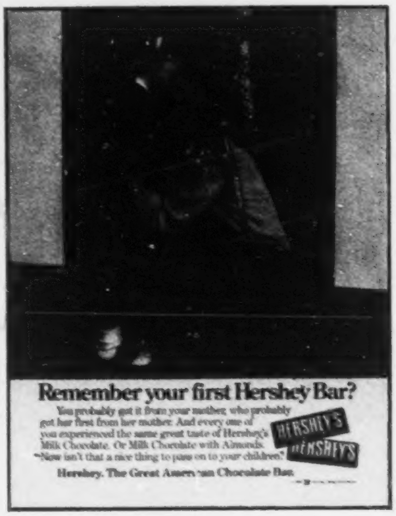
SAVANNAH NEWS-PRESS

category in the gum market that Lifesavers has not effectively competed in.

"Because of that we launched Replay, which is a regular chewing gum, like Wrigleys. Replay has a unique, pattented formula that allows us to put more flavor in the product. It has a soft texture and a longer-lasting flavor."

The brand went national in late 1980 with $6.5 million in advertising directed toward teens and young adults with primetime television advertising.


Remember your first Hershey Bar?
HERSHEY'S
HERSHEY'S
Hershey. The Great American Chocolate Bar.

Recognizing working women, Hershey has launched a women's magazine schedule.

Lifesavers' success in the gum market is despite comparatively lower ad budgets. For instance, CareFree's ad budget is $4.5 million while American Chicle supports Trident with more than $10 million.

Lifesavers, as do most marketers in the candy and gum business, favors television, but it also puts a substantial amount of money into network radio to reach teen-agers.

Denny says the media buying strategy is to concentrate as much money as possible in one medium for the most impact. That is television but a significant secondary medium is network radio. Although Lifesavers prefers not to scatter its ad dollars in print, according to Denny, it has used comic books to get Bubble Yum off the ground.

Rebecca Fannin

Decisions

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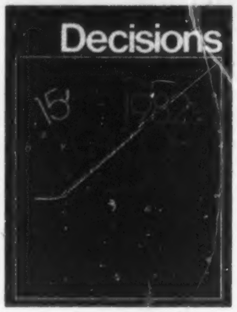

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AUDIENCE 82

The demo revolution

Dawn Sibley, senior vp-director of media, and Joel Fisher, director of media research, at Compton Advertising, point to the expansion of 35-44 segment to 42% of the population — and analyze the epochal marketing significance of this.

We stand on the calendar's edge of an electronic revolution as great as any that has preceded it. It is a revolution that goes by several names: Cable TV, Video Cassette Recorders, Teletext, DBS, New Electronic Media. All of these will affect people and marketing in the 80's. *But even more important to marketers will be the changes affecting the composition of the population itself:* age, income, education, family size, ethnic growth, work status, etc. It is those changes which we will address.

For it is they, more than any others, that will affect the sales of products and services.

Aftermath of baby boom

By far, the single most significant factor to affect us during the forthcoming decade occurred many years ago from the late forties to the early sixties. During this period, this country was the subject of a baby boom of unprecedented proportion as some sixty million births were recorded. From that point onwards, the composition of our country was described by the evolution of this population segment.

Our obsession with this group is understandable as it remains the most densely concentrated age segment of our people. Hence, until recently, we have been described as a young country. But as time marches on, so has the movement of this group within its life cycle. The aging of this group has graphically been described as "following a pig in a python", as we watch it slowly but surely move upward through the age ranks. While it is estimated that the total population will increase by some ten percent over the decade, the 25-44 segment will increase 25 percent as its ranks will be swelled by the baby boom era's population. An even more dramatic growth will be recorded by a subsegment of this population: the 35-44 year olds, who will increase 42 percent.

This is highly significant to the marketer since the 25-44 age segment is the expansive stage of people's lives.

It is during this period that people begin families and purchase all the goods and services necessary to support and sustain their households. This will affect all aspects of life and business as these people seek to satisfy

Dawn Sibley

Joel Fisher

their needs. Homes need to be purchased, clothes need to be bought, and detergent is required to wash those clothes in recently purchased washing machines.

The 25-44 age segment will not be the only one to reflect significant changes during the 80's. Of great importance will be the declining representation of the younger segments of our population.

At the same time, there will be an increased representation by the older age groups. One out of every eight persons will be 65+ and there will be over twelve million 75+ year olds. Logically, the focus of marketers in the 1980's will shift away from teens and young adults and lean more heavily towards the older and more mature segments.

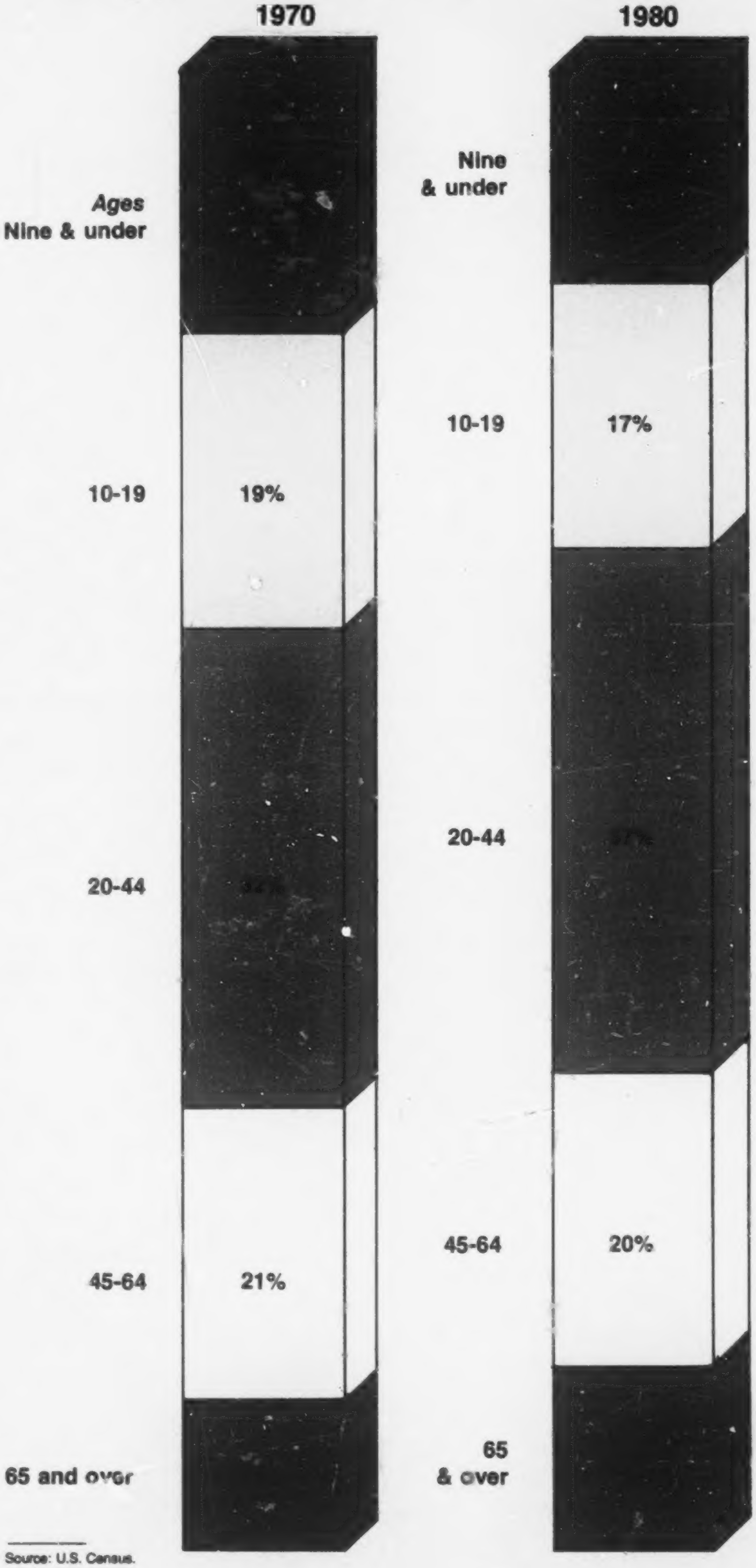
11 years of widowhood

Part of the reason for this aging of our population is illustrated by data concerning increased life expectancies. The average life expectancy for someone in 1990 will be three years longer than in 1980. The average life expectancy will be 76: 72 years for men, and 81 years for women. Since women tend to marry older men, and as we already saw, men die younger, on average women should expect eleven years of widowhood. Hence, there will be a very significant single unit, elderly female population segment in our population during the 80's - a phenomenon that alert marketers should be aware of.

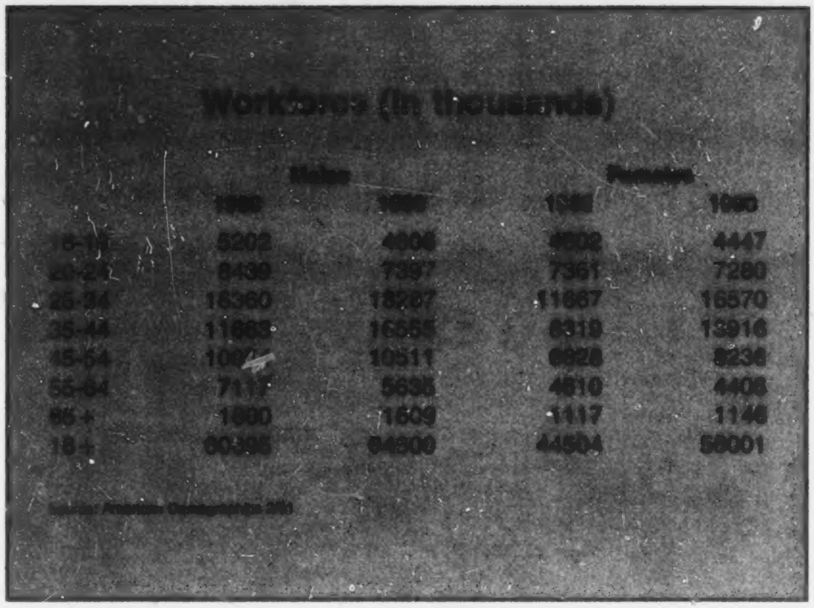
For the most part, it is difficult to ask any researcher or planner to prognosticate. Generally speaking, the exception to this rule concerns population age segments as it is relatively simple to track it from one decade to another. Other than immigration (expected to run at 400,000 per year during the decade), there are few surprises. Actually, the only room for any debate concerns the yet unborn. And just how many births will take place during the 80's is open to question.

Most experts agree that the birthrate (and consequently, average household size) will continue to decrease. The typical woman plans to have 2.1 children which could prove to be demography's *invisible hand*. By that we mean, that level of propagation which is needed for natural replacement (os-

U.S. population is getting a little older



Source: U.S. Census.



Workforce (in thousands)

	Males		Females	
	1980	1990	1980	1990
16-19	5202	4806	4602	4447
20-24	8439	7397	7361	7280
25-34	16360	18287	11667	16570
35-44	11663	16655	8319	13916
45-54	[illegible]	10511	6828	8236
55-64	7117	5635	4610	4408
65+	1680	1609	1117	1146
16+	60395	64800	44504	56001

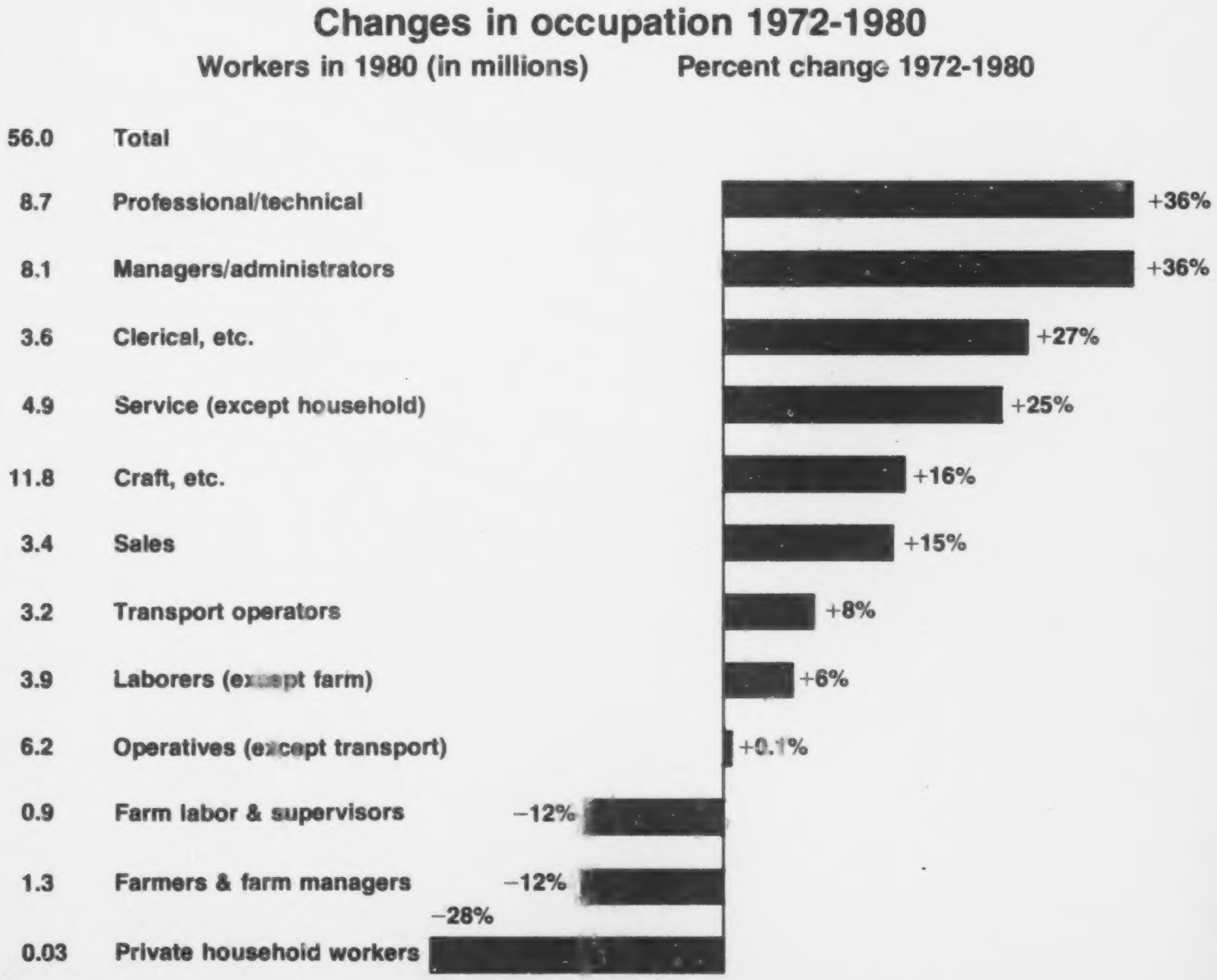
Source: American Demographics [illegible]

tensibly, zero population growth). To illustrate the degree of the drop in the birthrate note that in 1960 the average household size was 3.3 people, in 1970 it was 3.1 and today it is 2.8. But by 1990 it will be at an all time low of 2.4 people per household.

The never nesters

A large portion of this birthrate drop can be attributed to a growing segment of the population described as *never nesters;* men and women who do not plan to have any families.

Of equal importance is that many adults are marrying later and starting families even later still. Sociologists have offered many reasons for this phenomenon of which the most often cited are: effective birth control, the high cost of raising a family. Childlessness has become socially acceptable.



The migration to the Sun Belt, also a major change, includes young people.

The Northeast, while losing numbers of people, will be left with younger and richer people. Also, marketers who concentrate their advertising in the top 50-100 markets will find their effort reaching smaller percentages of their target markets as the population shifts to less densely settled areas. The difference between markets 45, 75 and perhaps even 105 will not be as great in 1990 as it is in 1980.

Coupled with the aging of population will be a general enrichment in terms of available discretionary income. *Our population will be richer*. Median income adjusted for inflation will increase 13%. The number of homes earning $25M+ will increase from 23% of the population (1980) to 33%(1990) and this segment will account for 60% of all disposable income.

As such, low price (i.e. generic products) will not be as attractive. Instead, people will be looking more and more towards quality products. There will also be more money for nonessential luxury items and particularly (electronic) gadgets. A rising share of income will become available for discretionary purchases - especially those which will save people time doing household chores. For by 1990 people will be more concerned with leisure time and activities than ever before.

This will be possible since, besides making more money, people will be working fewer hours. In 1990, over half the workforce (53 percent) will be employed in white collar professions. (Note: the 70's were called the computer decade, the 80's are being called the information decade.) These people will be working a 35 hour week instead of 40 hours typically worked by blue collar laborers.

Glut of professionals

Interestingly, the workforce will be expanding twice as fast as the population. A by-product of this growth will be a glut of professionals. Frankly, there will be more professionals than the economy can absorb. This will produce a good deal of frustration on the part of those forced to accept employment at professions whose needs do not match the educational achievements attained by this group. They, however, will not be the only ones to feel frustrated. Even those who do attain professional positions will not do as well, or go high up the corporate ladder, as they had hoped.

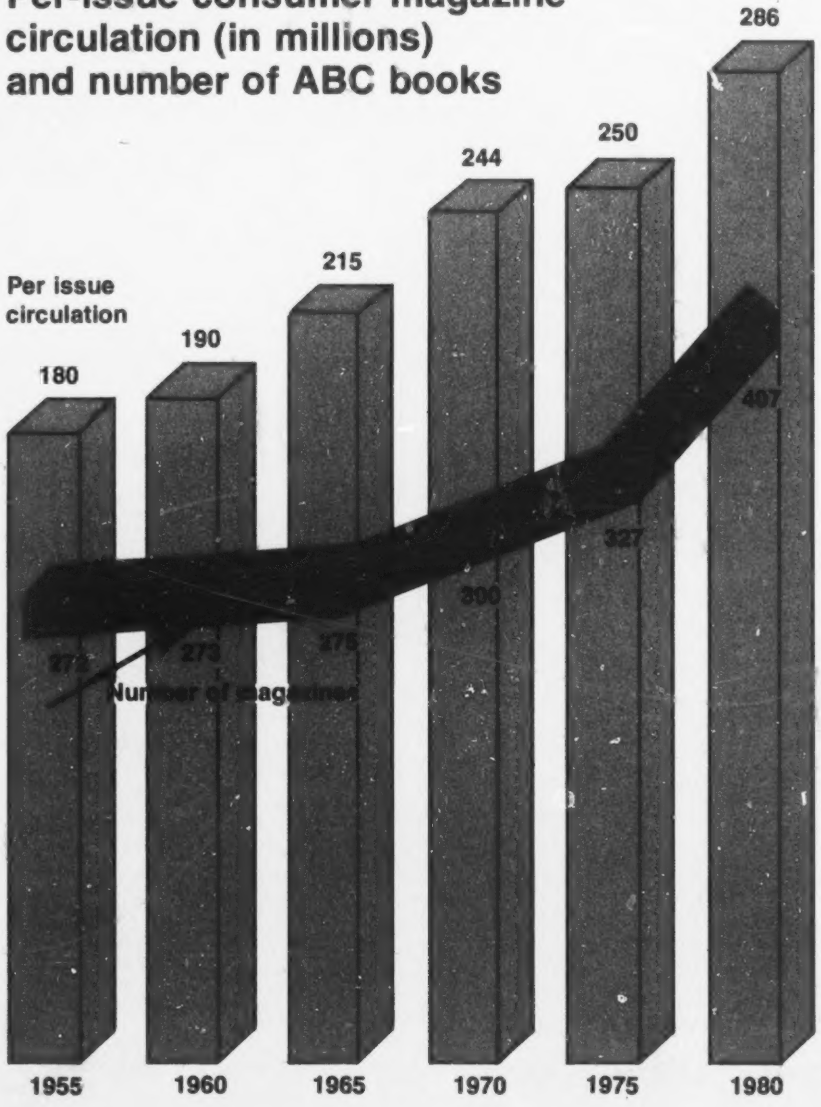
The reasons for this are twofold. Firstly, legislation will be passed postponing the mandatory retirement age. People who choose to work longer will be able to. And many will choose to since inflation and anticipated increased life spans will create a need for more money than retirement offers.

It is people who do not retire and who are holding onto top management positions who are creating a log jam for those who seek promotion. Also, since there are so many 25-44 year olds, the age at which promotion to higher levels are actively pursued, the competition for the few available promotions will be great.

As previously mentioned, the workforce will expand significantly - there will be some 10-20 million more employed people in 1990 than 1980. Not unexpectedly, the majority of the influx into the workforce will be accounted for by women. Approximately 77% of the workforce will be women - and they will be attaining better, more responsible and higher paying positions than in the past.

By 1990, however, women will still constitute less than half of the working population.

Per-issue consumer magazine circulation (in millions) and number of ABC books



Source: Magazine Publishers Association

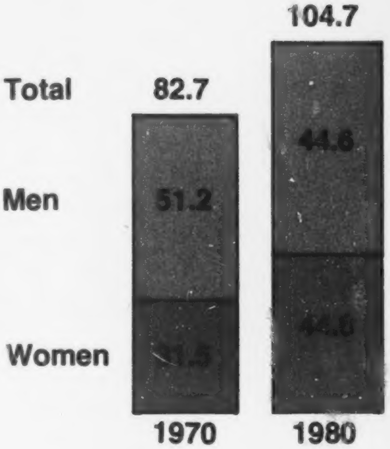
The greatest bulk of the growth in the workforce will be made in the first half of the decade. From 1985-1990, the growth of the workforce is expected to decline to 1.1% yearly. The better fields for prospective job applicants will include: accounting, banking, medical, engineering, geology and data processing. The problem professions include: teaching, forestry, historians, librarians, mathematicians and journalism. A word to the wise-beware!

Because there will be more women working and more single unit (male) households, retailers will have to remain open longer to accomodate these people's shopping needs. The supermarket will also undergo a metamorphosis and will evolve into a shopping center. It will offer food, clothes and hardware. It will also offer restaurant and concession services as well as babysitting so that families will be able to make a night out of marketing.

As professions become more complex in the 1980's and as women, in particular, strive for higher level positions, the need to attain greater levels of education will increase as well. In 1965, only 18% of the population had any college education. By 1980, that figure rose to 27% and by 1990, we project that 35% of the population will pass through a college door for some period of time or other.

This exposure to academe will serve to do more than allow people to compete for more responsible jobs. It will also produce consumers more sophisticated than today's. They will be more receptive to new products and more demanding of quality and performance.

Ethnic groups will represent a vital segment of the target audience. By 1990 Blacks and Hispanics will account for almost 20% of the population. Hispanics, who will account for an estimated 7% of the population, are the fastest growing minority group in the United States. This group appears to be holding onto its ethnic character and language; therefore, specialized marketing efforts will have to be fielded to reach them.



All of this points to fractionation of key consumer groups. The typical package goods target of women between the ages of 18-49 may be supplanted by a new target consisting of women and men 25-44 years old, living in households of three or more, plus adults 25-44 in Hispanic households.

This expanded target audience may, however, be unrealistic because it may not be affordable.

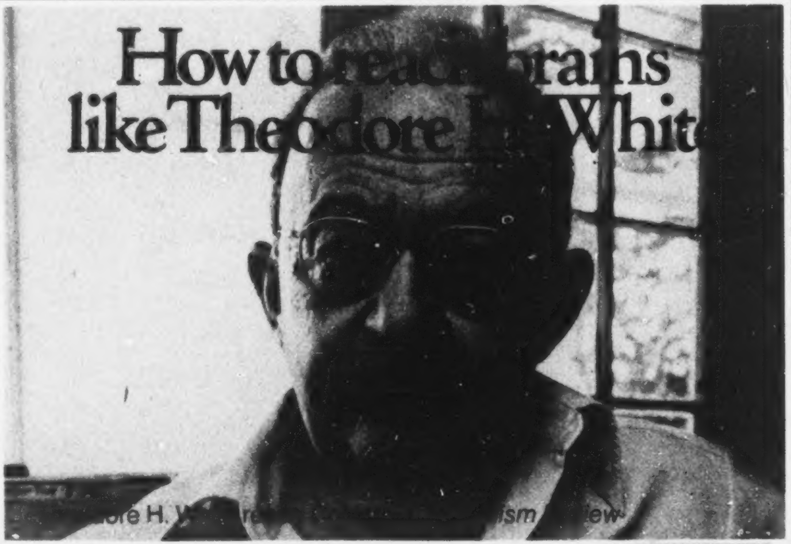
Media inflation, compounded by the anticipated audience fractionation resulting from cable penetration, pay tv and video home recorders, is going to make it difficult to buy the mass audiences we were used to, much less extend audiences. Advertisers will probably have to cut back or refine targets to those groups most crucial to a product's sales and growth.

On the plus side is the fact that cable, because of its current trend towards special interest programing (news, sports, etc.) will allow an advertiser to zero-in on prime prospects via interests and psychographics rather than the traditional demographic route (example: cooking shows for food products). This could assist marketers in eliminating media waste in addition to placing their messages in more persuasive/relevant environments.

Defining, appealing to and capturing these new targets are going to create real challenges for the marketer of the 1980's.

The leg work must begin now!

Dawn Sibley
and Joel Fisher



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targeted at certain lifestyles all make possible the more precise targeting of marketing efforts.

Satellite transmission of messages is a relatively inexpensive way to talk to people nationally at a time when media costs threaten to freeze some advertisers out of the mass media. Via satellite new speed and immediacy are added to commercial communication.

Reach and frequency will be moved to a back page in media plans, but they will still be required as back-up. The lead-in to media plans will be media-oriented analyses of marketing opportunities for individual brands in carefully selected media/market segments. And the guts of the plans will be the rationale for effective communication against specific goals in awareness, brand preference, sales.

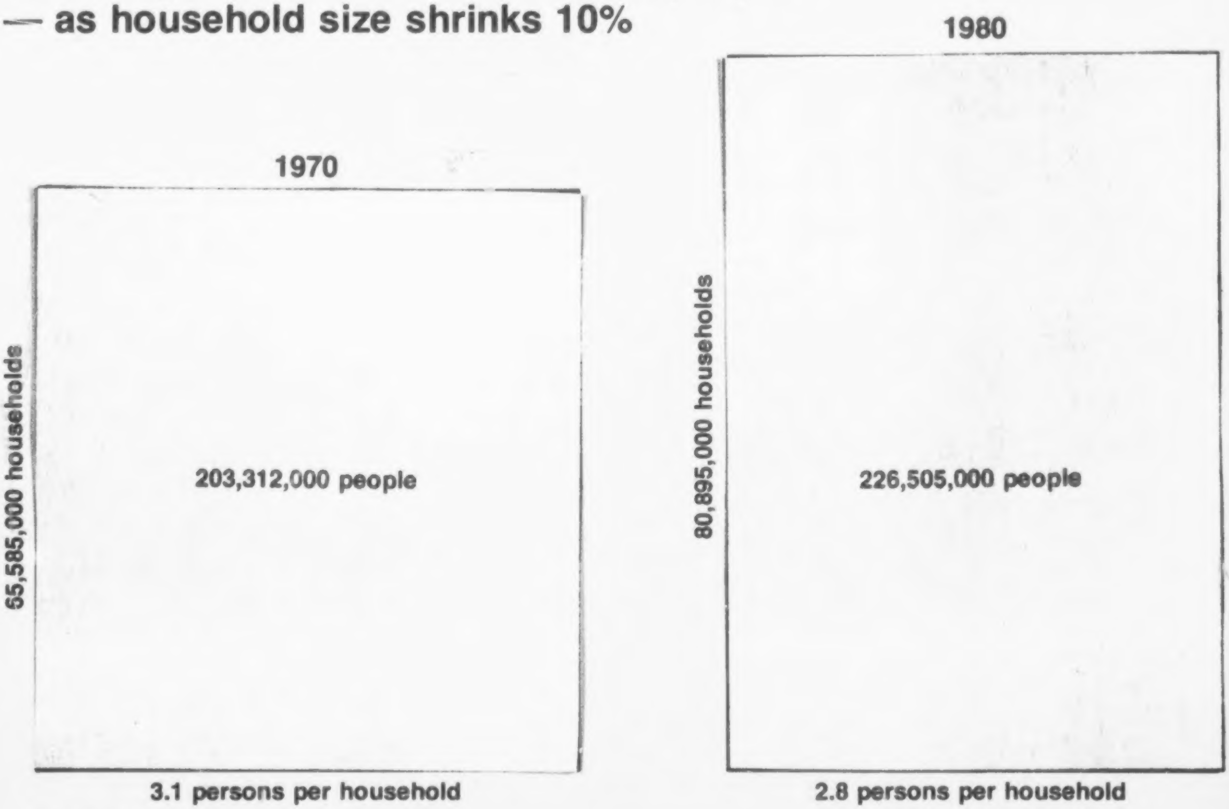
More than facility with numbers will be required of media people in the years ahead. They will have to be marketing-oriented, able to present their plans for media expenditures directly to brand managers. They will have to be up-to-date on new media options — and capable of stating the pros and cons in terms of the brand they're assigned to. They will have to be innovative to the point of daring — with a knack for selling new ideas.

Practical forecasting is the objective here and we have attempted to keep the forecasting feasible by asking the contributors to concentrate on just the year ahead — 1982. But in some cases — in order to look at 1982 — the seers have been forced to talk about the years beyond. Experiments in two-way cable, satellite networks, the paint guns will be facts of life in 1982, although some may turn out to be fallacies before the end of the decade.

It will be an interesting year for brand managers, media experts, salesmen, researchers and advertising reporters.

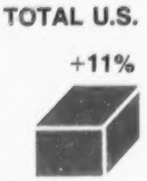
Carroll Swan, editor

Greater growth in households than people — as household size shrinks 10%

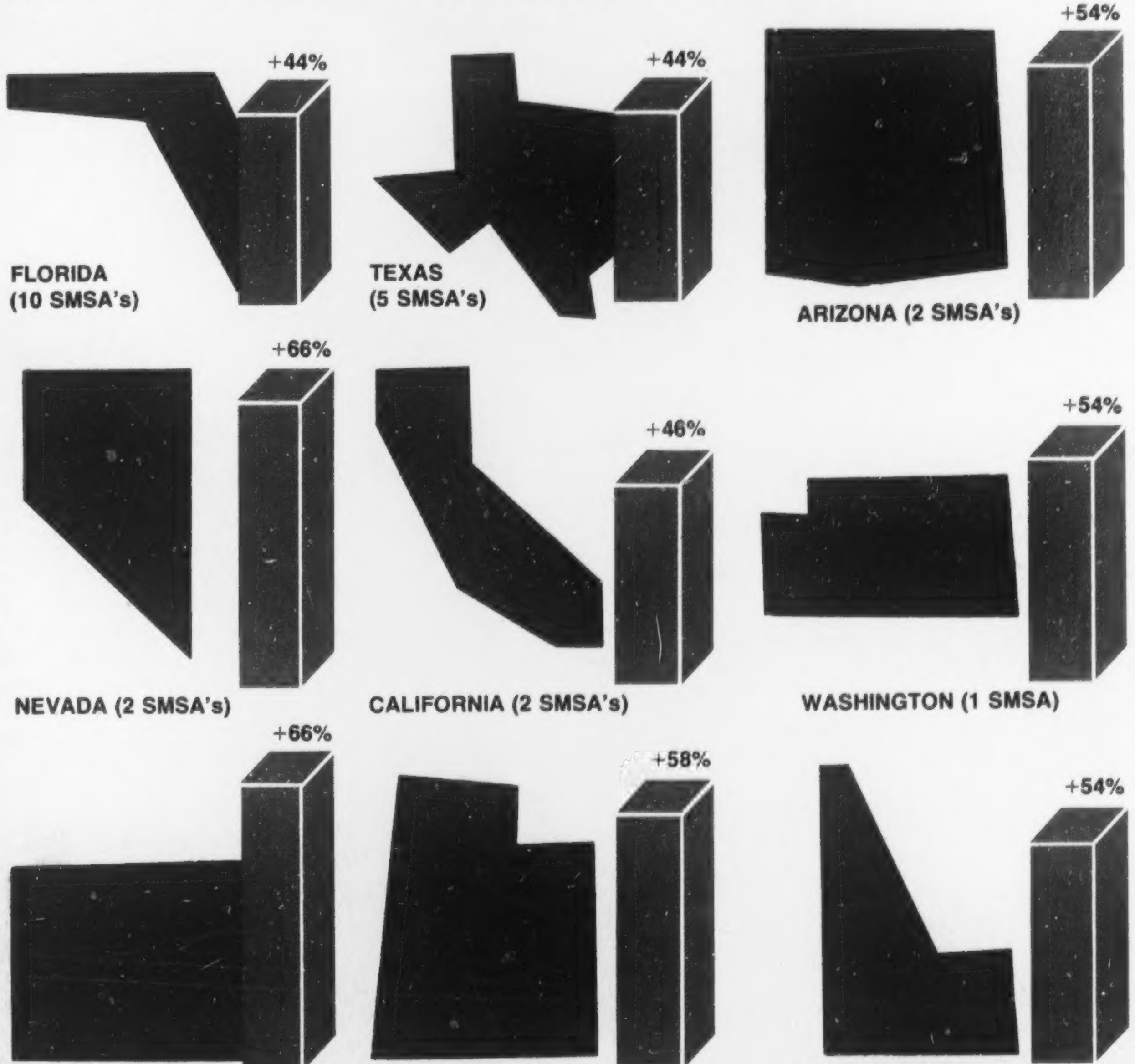


Source: U.s. Census Bureau.

Metro growth is South and West



Percent population gain 1970-1980 in 25 fastest growing Standard Metropolitan Statistical Areas (SMSA's) within states. Ten are in Florida, five in Texas, two each in Arizona, Nevada and California



Source: 1970 and 1980 U.S. Census

to do about this? Call me right away."

It was firedrill time. A hasty meeting was convened and it was decided that the test market roll-out should begin immediately. This was two weeks in advance. Literally dozens of parties had to be informed and their approval sought. Tom concentrated his efforts on three important lynchpins in the process: the agency, manufacturing, sales and merchandising. Assistants took up other roles.

Tom recalled the frightening conversation with the media director, Langley:

"Tom, I just don't see how we can meet those planned weight levels on such short notice. You're talking about getting a CBS affiliate in Houston and one in Phoenix for four weeks in prime during the fall. Those guys are totally sold out. Now we may be able to get ABC and NBC there and throw in a couple of indies, but I don't think the demos will pan out."

Tom asked him to figure a plan that would incorporate those other stations but also to put the heat on the CBS stations.

Meanwhile, Tom put through a call to Cereal's general manager. He explained his problem with media and asked if it would be possible for HoneyNut Oaties to utilize spots pre-sold to other Dynamo cereals on the CBS stations in Phoenix ahd Houston during those two weeks. The general manager said he would consider it and get back to him.

The next day Tom got a note from the general manager's office. It detailed how many of these spots could be relinquished without damaging the marketing plans of his other cereals. It worked out to be less than half of what Tom needed.

About an hour later Langley called. "I've got good news. My friends at KHOU and KOOL said they could help us out. Apparently they gave some of their other advertisers two-for-one deals in spring so they could fit in HoneyNut Oaties. They said Dynamo was too good a customer to screw up."

Phoenix and Houston scooped up Honey Nut Oaties. It was the hottest thing to hit those towns since Mr. Goodflakes had tested there.

In fact, it was too hot. Suddenly supermarkets were struck by a product shortage and Tom had to get the factory to speed up manufacturing to meet demand.

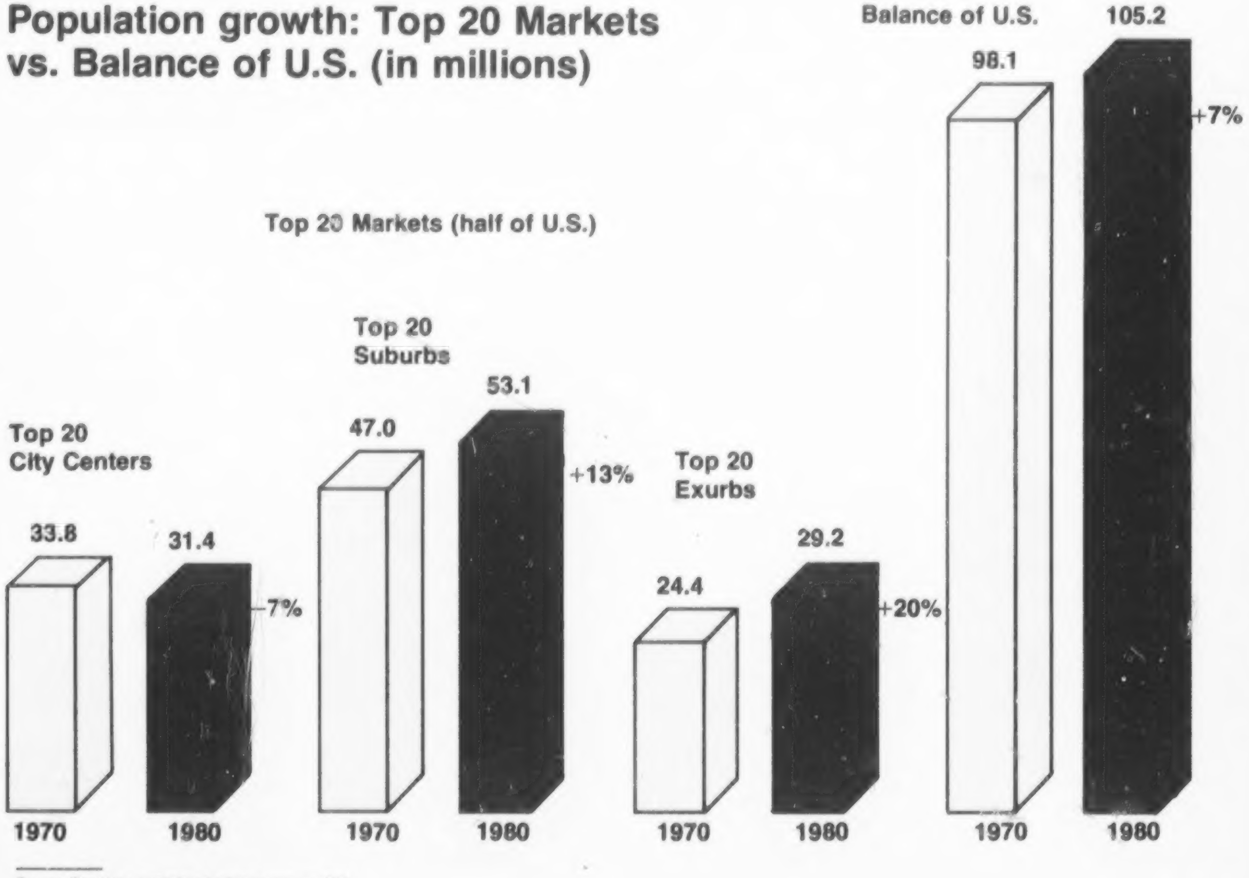
After the four week test Tom and his staff settled in for the long haul. But with the critical test phase behind, brand management had a clear view of the winding road that lay ahead.

One day early in the winter Tom got a call from a headhunter. Would he be interested in talking to another cereal manufacturer about a position as group product manager?

Tom declined. He decided to wait for that call from the division vice president about the general manager job.

Verne Gay

Population growth: Top 20 Markets vs. Balance of U.S. (in millions)



Source: Decisions estimates based on census data.

prepared for advertising careers and are from more prestigious schools.

"I don't know what has perked up the interest but I always have a stack of resumes and they are from sharper kids with more education," he said.

Even those on the job for several years are finding that they must do their homework. More in-house material about new technology is being circulated at the advertising agencies. Trade magazines have become more heavily used sources for media people who need to keep abreast of the rapidly emerging technology.

Further education outside of the agency is also in greater demand, they said. One source indicated however, that media people were discouraged from pursuing, for instance, a Masters in Business Administration because they might leave media for account work.

But the problem of losing media people to other parts of the business is not so common today as it was before because fewer media people are eyeing account jobs as media begins to play a more central role, the young media people said.

"There's no question that the people entering the field are changing," Talbott summed up. "There was once a difference between account and media people. The best and the brightest went into account work. Now we are all in the same group, working as a team. It's no longer a field that you move into account management from."

Talbott admitted that she was one of the young media hopefuls who want to impress management enough to leap into account management. But she has decided to stay put after finding out what media is all about.

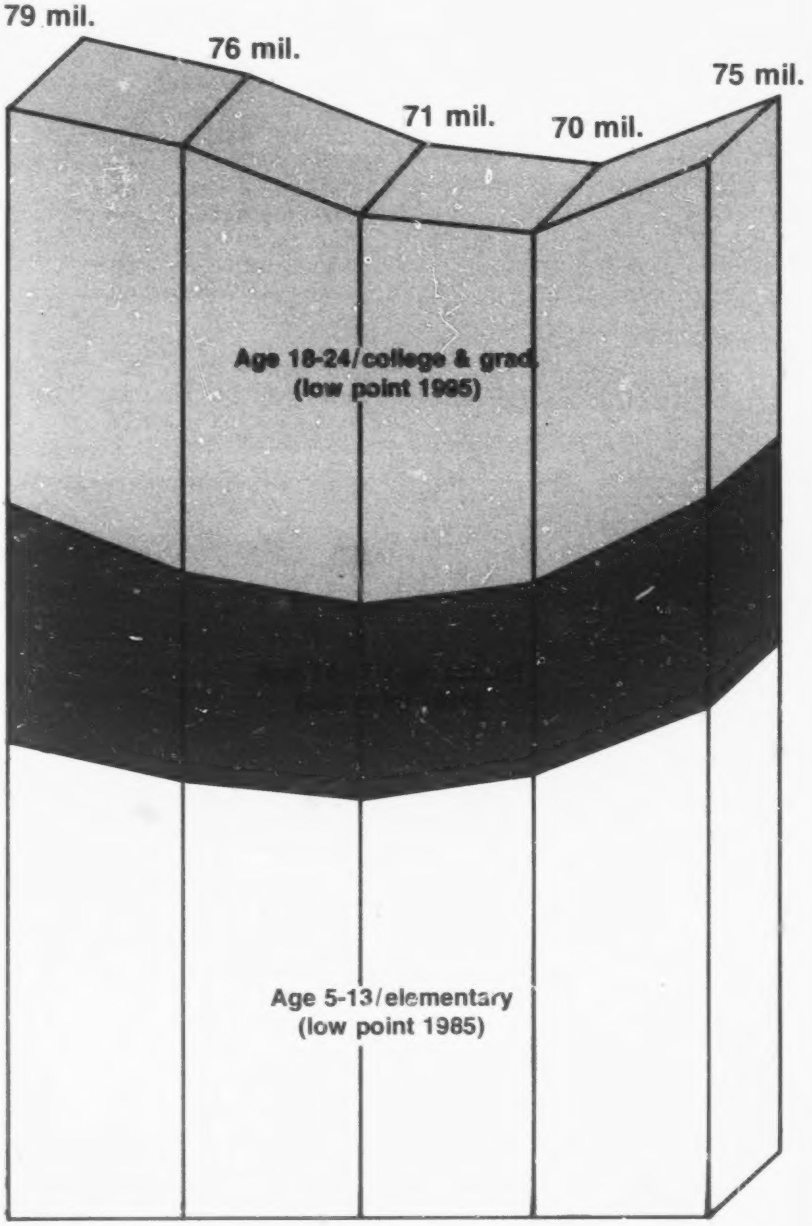
One dark side is that while media people are assuming more responsibility, salaries and positions are lagging. One person said it is annoying that the account executive dealt with is a vice president but the media person is not. The general feeling is that salaries are "decent", but not up to par with account managers — at least until media people reach higher levels.

Another source ended on an unhappy note, indicating that media people will never be thought of as more than mindless numbers wizzards until salaries and titles are upgraded.

Rebecca Fannin

School age population (in millions)

Post war babies are now having babies
who will boost school population after 1985.



1975	1980	1985	1990	1995	Age
28 mm.	30 mm.	28 mm.	25 mm.	24 mm.	**18-24**
17	15	14	13	15	**14-17**
34	31	29	32	35	**5-13**
79	76	71	70	75	**5-24**

Source: U.S. House of Representatives, Select Committee on Population

Changes in audience research — not in media audiences

Marcella Rosen, senior vp-media director, NW Ayer, sees 1982 as a year of normal evolution in media audience. The big changes next year, she says, will be in media research.

The purpose of this thirteenth issue of Marketing and Media Decisions is based on the assumption that 1982 is going to be a crucial year in the media industry; a year, if you will, of media-at-the-crossroads. I do not agree fully with this premise.

It is certainly safe to say that during 1982 most of the trends which have been developing over the last several years will continue. Another million homes will be wired and cable penetration will jump by another 2%. The share of viewing controlled by the networks will slip another point or two.

Two or three major cities will see their evening newspaper quietly fade into history. And we could even see one of our major magazines publish its last issue.

One certainly does not need a crystal ball to make those predictions; they are merely the next chapter in an unfolding saga. Most likely these trends will continue for several years with few major breakthroughs or losses by any media type. So, from a media point-of-view, 1982 promises to be more of the same.

There is one area, however, in which 1982 should be an important year: media research.

While media thinking has barreled full speed ahead into the 1980's, media execution has lagged far behind, still mired in the 70's. While we have paid extensive lip-service to every new idea, relatively few advertisers are involved in the new electronic media, few advertisers have shifted major funds from broad reach to selective media, and few advertisers have readied themselves for future usage of burgeoning media ideas.

The reason for this gap between thinking and execution is due mainly to a lack of suitable media research. If we are to narrow the gap it is imperative for media research to put the problems of the 70's behind, move rapidly to confront the new media thinking and lead us into the 80's.

Realize that during 1982 we will eclipse the one-quarter mark for the decade. At the close of the year, the 80's will be nearly one-third complete. It is time that we, who were prediciting major changes in media for the 80's begin to turn those prognostications into reality. For this reason, I think 1982 will focus on bringing media execution into the 1980's — and on preparing ourselves for the major changes which will result from minor changes year after year after year.

Media research will surely be leading this venture. Three specific areas will be of special importance as we enter 1982:

(1) Amelioration of the audience research chaos.

(2) A welcoming of new ways to analyze media audience habits.

(3) A closer scrutiny of developing trends.

1. **Audience research:** This is a problem which has spanned all media types. In 1982 the magazine research situation should finally be improved: and a workable solution to future television viewing research must be found.

The magazine industry has been faced with a crisis in credibility for several years as SMRB has offered numbers which have been "massaged" and MRI has offered numbers which seem a bit "large."

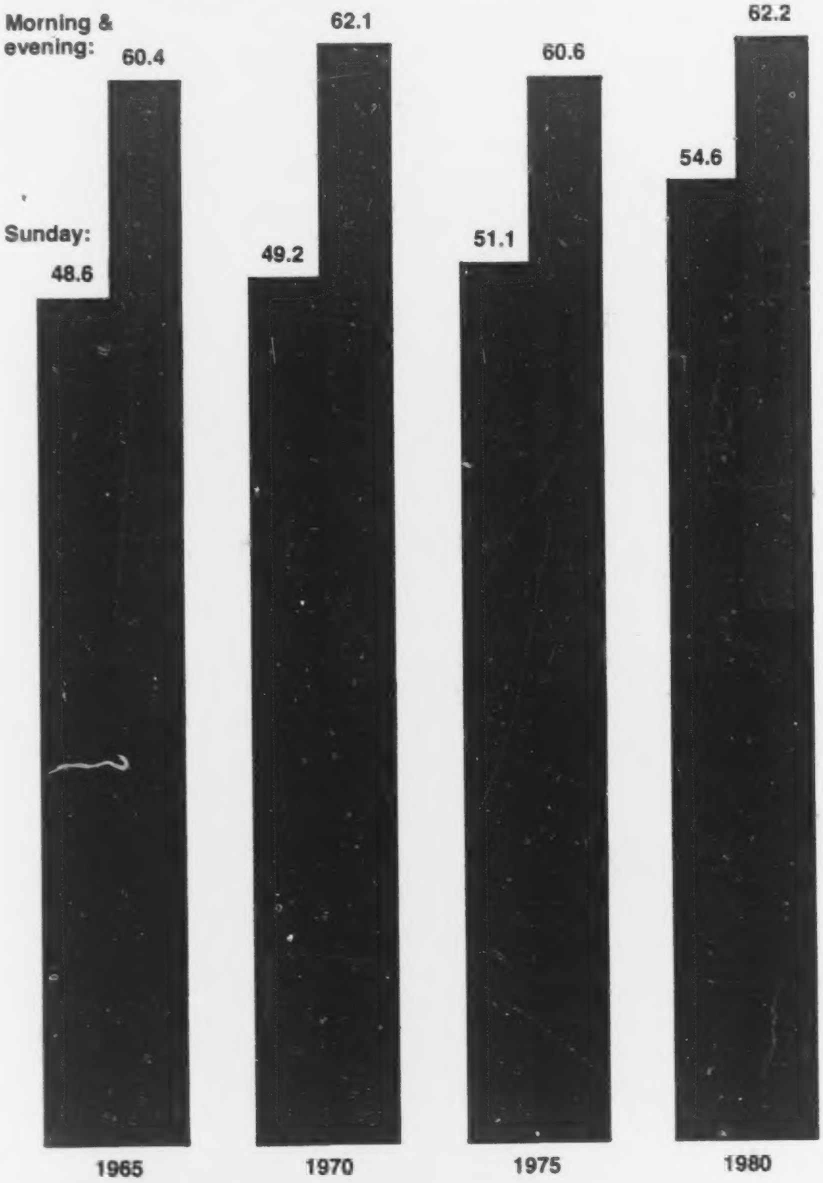
In response to the guidelines established by the AAAA Committee, SMRB has responded with a technique that will measure all magazines by one methodology. The entire industry has participated in the process of selecting and refining this methodology and it seems the users are finally becoming a part of the developmental process.

MRI will once again be a factor as they, in 1982, will have comparable product data available. As you may recall, this service did not provide any product usage data for two waves and will not have a full year data available until fall 1982. This full service availability will keep MRI a factor in the magazine research field; a real alternative to SMRB.

Thus, there will be improvements in both services in 1982. No longer will we have the "calibration controversy" of past years nor the negative of no product data. Both services will use one, albeit not the same, methodology. Both services will offer product data. Both services will measure over 110 magazines. The only real discussion left is what factors constitute a reader: the SMRB screen or the MRI all inclusion technique.

In 1982 Starch INRA Hooper will make a final decision on whether or not to launch their proposed study. We, at Ayer, applaud their creativity in attemption to find a new solution to a very old problem. We find it refreshing that they have returned to one of the basic, yet recently ignored, elements of research — the test. For three

Daily newspaper circulation (in millions)



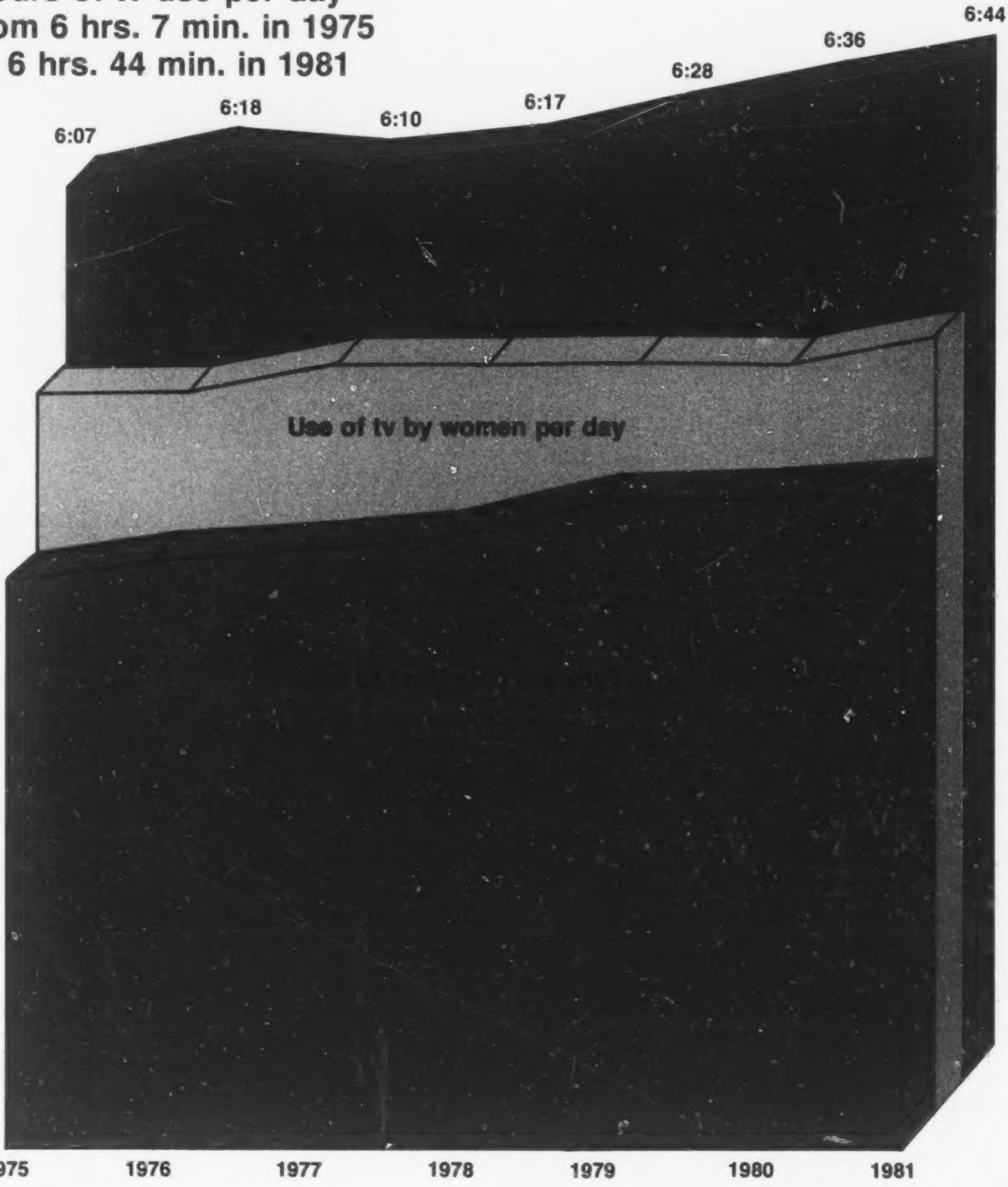
Source: Newspaper Advertising Bureau.

years we, as an industry, have invested million of dollars while SMRB has, in effect, tested assorted methodologies and adjustment techniques. Starch may not be the ideal solution, but we will at least be left with test results that can be evaluated and judged at an affordable cost.

SMRB, MRI or Starch? Through-the-Book, Recent Reading, Calibration or Front Cover/ TOC? The options seem boundless. One way or another I think the research chaos of the last several years will finally get better in 1982.

Magazines will not be the only area where research will be resolved in 1982. I think major emphasis will be placed on getting information available for the New Electronic Media (NEM). The media industry has been actively promoting the NEM. I'm certain we all agree that it is the medium of the future. But its growth is going to be se-

Hours of tv use per day — from 6 hrs. 7 min. in 1975 to 6 hrs. 44 min. in 1981



Source: A. C. Nielsen and Decisions estimates.

verely limited by the lack of available research.

It is just not realistic to ask our clients to invest major advertising budgets in media we have no proof is attracting an audience. Cable television has probably reached a saturation level of advertisers who are willing to take a chance on the future of the medium. For cable to experience any more real growth in advertising support, research on effectiveness will be imperative.

The Ad Hoc Cable Measurement Committee, the industry group trying to find a workable solution to measuring all the video options, is making progress in this area. It is a positive sign that those of us who are demanding and paying for the data are finally getting involved in the early stages of research. In this way we can obtain the type of research most useful to our industry.

I think one point is painfully clear: we must not be strapped with the old methods of gathering research for traditional broadcast. A family diary may not be a feasible alternative as television viewership becomes more and more individualized. I would like to see us explore the possible use of interactive systems which can provide information beyond just the audience generated by a program. 1982 will be the year in which we will have to get this kind of problem resolved so that we can move the industry into all the media options available.

2. New Analytical Methods: In 1982 media research will have to begin to analyze new forms of data, such as that offered by PRIZM.

We are actually on the threshold of a fourth generation of media data. First there was circulation and household viewership information, followed by the more refined audience data replete with demographic information. The third generation was made available through the growing use of computers, extensive cross-tabs of demographic and product usage data. All of these aspects have been linear in nature and have not begun to delve into the important aspect of lifestyle. PRIZM, and the companies which will rise to compete with it, will offer this important and insightful knowledge.

With this kind of information now available, it is not practical to ignore it. The same wait-and-see attitude we take with new magazines is just not possible with new research information.

In 1982 PRIZM will be on us full force. Media research must instruct media personnel and clients in the proper use of these data and begin to explore ways it can be used to improve our media solution techniques. This looks to be the media research tool of the 1980s and will have the added benefit of reducing our dependence on the myopic view which the audience research data provide.

3. Developing trends: In 1982 the media world will realize that constant monitoring of audiences is mandatory. Patterns which used to take several years to develop now impact on us in a matter of months. The Sony Walkman is a graphic example of this. Just when it appeared that radio usage had reached its level of saturation, along comes the Sony Walkman to make radio even more portable.

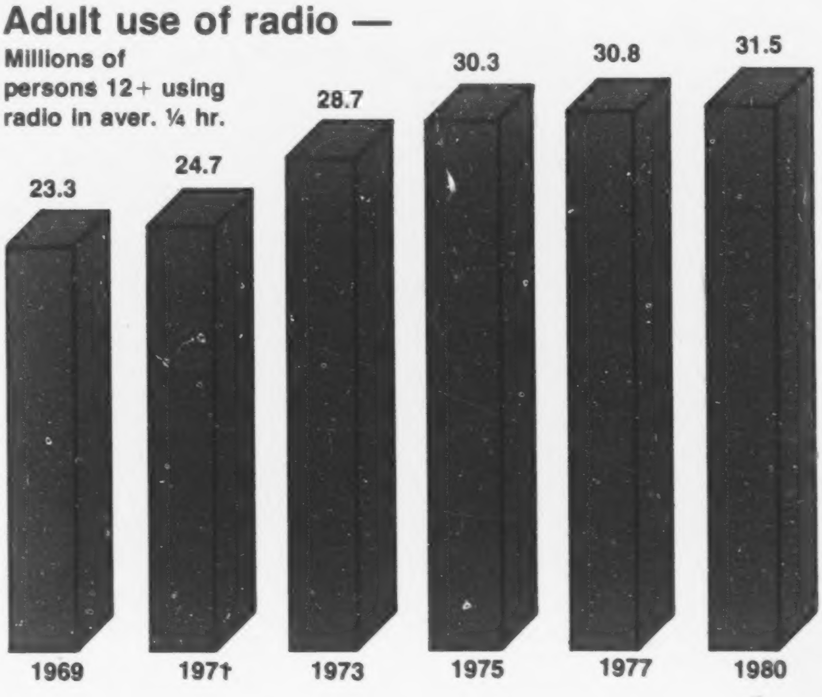
A similar concept is occuring in television. As cable television penetration has increased, the share of viewing controlled by the networks has steadily eroded. It has been assumed that this erosion would naturally continue. There is, however, the first sign that there may be a bottoming out.

In markets like New York, where several strong independent stations have been available for years, the network share has always been lower than it is nationally. As cable has penetrated these markets, however, the network share does not show the same kind of erosion patterns. Similarly in markets of heavy cable penetration, during the growth period the percent of network viewing drops sharply.

It seems that the new viewing options offered by cable tend to compete with one another rather than jousting with the networks.

In 1982 developing media patterns will continue to unfold. We will have no control over this. Whether we are prepared and ready to avail ourselves of these new opportunities will depend largely on how media research has responded. 1982 may not be a critical year for media, but it will certainly be a challenging year for all areas of media research. If media is to move into the 1980s with full strength we must have the support of and direction from media research.

Marcella Rosen



Source: Radio Advertising Bureau

Census count shows 37% minority growth

Complaints of "undercounts" have not fazed the U.S. Census in reporting on minorities. The following analysis of minority trends was included in remarks of Daniel B. Levine, acting director, Bureau of the Census, at June 9 Demographic Outlook Conference in Ithaca, New York. After explaining some problems encountered in the 1980 Census and admitting to 50 lawsuits, he said the Census Bureau considers the 1980 count "our most successful census."

Our final 1980 Census count was just over 226.5 million, which represents an increase of 11.4% over the 1970 Census count. This happens to be the lowest rate of growth since the Great Depression and is the harbinger of things to come. We expect even lower rates of growth not only in this decade — less than 10% — but also for the balance of the century. We see less than 7% growth in the 1990's.

We have seen, on the other hand, a rapid growth among our minority populations.

Hispanics were a rapidly growing segment, their numbers having risen 61% since 1970 to a total of 14.6 million. A number of factors contributed to this result in 1980, among them the higher birth rate and younger age distribution among Hispanics, greatly increased inmigration, improvements in census taking. We expect the Hispanic population to continue growing rapidly throughout the 1980's.

As for geographic distribution, more than 60% of the Spanish-origin population were living in three states on Census Day: California, Texas and New York. They comprised 37% of the population in New Mexico, 21% in Texas, 19% in California, 16% in Arizona, and 12% in Colorado. Hispanics have increased their numbers in some large cities to the extent that they outnumber Blacks, or are close to it, in cities like New York, Los Angeles, San Diego, Phoenix, San Francisco, and Denver. They now comprise a majority of the population in San Antonio.

Blacks also gained substantially in numbers and now total 26.5 million —a rise of 17%. Regionally, about 53% of the nation's Blacks were living in the South on Census Day. Studies based on surveys in the 1970's show that about as many Blacks moved to the South as left it during the decade halting many decades of net migration to the North and West. Blacks cur-

Largest Black markets still growing

(Black population 1970 and 1980 in SMSA's)

	1970	1980	Percent growth
New York	1,791,000	1,940,000	+8%
Chicago	1,231,000	1,428,000	+16%
Los Angeles	762,000	944,000	+24%
Detroit	761,000	890,000	+17%
Washington, D.C.	717,000	853,000	+19%
Baltimore	490,000	557,000	+14%
Newark	355,000	418,000	+18%
Houston	390,000	528,000	+35%
Atlanta	348,000	499,000	+43%
Dallas	330,000	419,000	+27%
St. Louis	379,000	408,000	+8%
San Francisco	330,000	391,000	+18%
Memphis	311,000	364,000	+17%
New Orleans	324,000	387,000	+19%
Cleveland	333,000	346,000	+4%

Source: U.S. Census

rently account for at least 20% of the population in seven Southern states. Twelve states now have Black populations of at least one million, up by four states since 1970, and half of them are in the South.

Asians and Pacific Islanders now number 3.5 million, a substantial increase over the 1970 total of 1.5 million. Most of the increase was created by immigration. On Census Day nearly 60% of the Asians and Pacific Islanders were living on the Pacific Coast and in Hawaii. This is down from 71% in 1970.

American Indians, Eskimos and Aleuts numbered 1.4 million in 1980, an increase of 71% since 1970. Much of their growth was caused by natural increase, but again, improved census procedures also produced a more complete count. One-third of this combined group lived in three states: California, Oklahoma and Arizona.

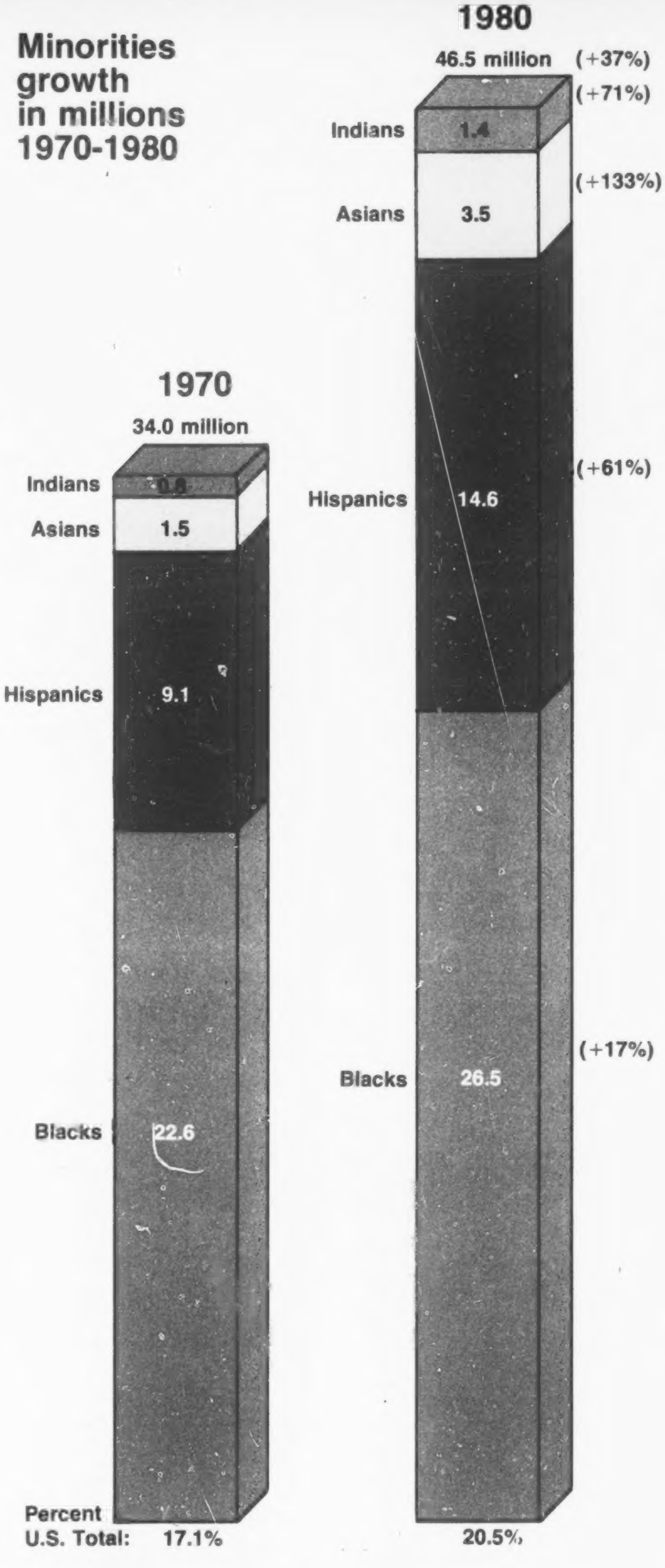
We now have figures on the age structure of the population as marked by the 1980 census. On average we have grown considerably older since 1970, the median age moving up to 30 years from 28. Three underlying factors that have influenced this aging of the population are the decline in the fertility rate since 1970, the aging of the baby boom generation and increasing longevity. Putting these trends in context, the number of children 14 years of age and younger has decreased by about 11.5% while those from 25 to 34 have increased by a substantial 48.8%.

The number of persons in the age group of 55 to 64 grew 11.4%, exactly the average for the nation as a whole. But the number aged 65 and older grew by 27.9%, in part because of increased longevity.

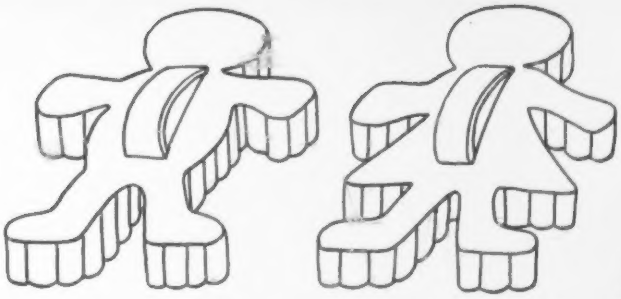
On Census Day the White population was the oldest, at 31.3 years, followed by Asians and Pacific Islanders at 28.6. Then there is a sharp drop. The Black median age was 24.9; the Spanish origin population was 23.2; and the combination of American Indians, Eskimos, and Aleuts were slightly younger at exactly 23 years.

Among Hispanics, an age breakdown shows that nearly one-third were under 15 years old while only about 5% were 65 or older.

Daniel B. Levine



Minorities growth in millions 1970-1980



Rena Bartos, senior vp-director of communications development, J. Walter Thompson, describes the extent to which the media behavior of individuals differ because of their outlook on the world around them. She says the stereotypes into which marketers often segregate people are no longer sufficient for matching media to markets.

AUDIENCE 82

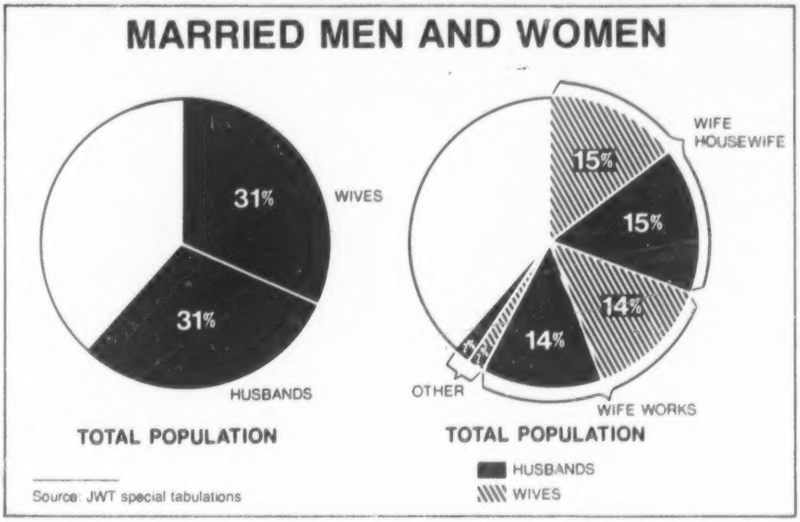
Beyond the cookie cutters

As we enter the 1980's industry pundits have sounded two themes: the revolution in media technology which will result in demassification of media, and the swift social changes which have impacted on the demography and life styles of American consumers.

While forecasts on the timetable and the extent of demassification are still rather murky, there is no doubt that social change has altered the landscape of consumer markets. Yet, there is a curious gap between the realities of social change and the picture of society reflected in many current marketing plans and advertising compaigns.

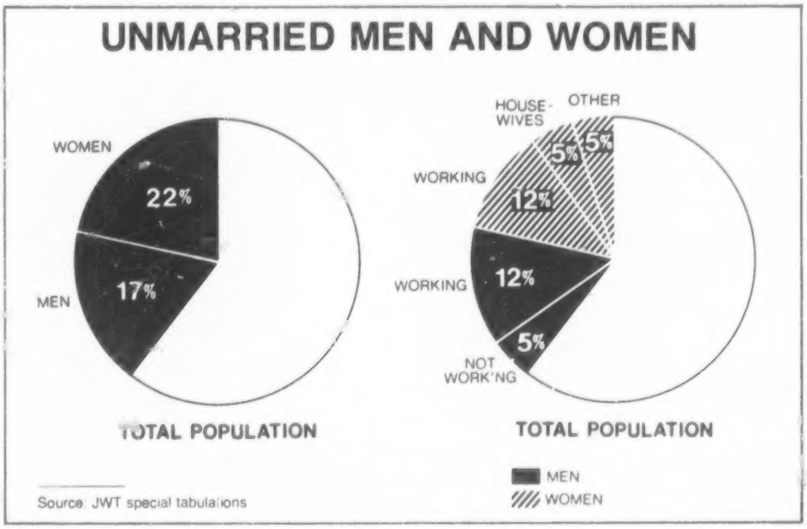
Many marketing specialists who pride themselves on their pragmatism and realism have not, as yet, related their day-to-day marketing activities to the facts of social change. Marketing procedures and tools have never been more sophisticated and complex than they are today. However, the potential contribution of those sophisticated marketing tools may be limited by the social perspective of the marketing specialists who use them.

The homogenized nature of the mass media has also limited the link be-



MARRIED MEN AND WOMEN

Source: JWT special tabulations



UNMARRIED MEN AND WOMEN

Source: JWT special tabulations

tween social change and advertising. While marketers are able to identify small and meaningful segments within the mass market, when it comes to reaching those segments through the media they are forced back into broad, generalized channels of communication.

We have heard a series of marketing buzz words over the years. In the 1960's we heard a great deal about *positioning*. In the 1970's, *segmentation* was on everyone's lips.

When positioning and segmentation were translated into media buys, the sharp discriminators of marketing analyses were blunted by being forced into the homogenized channels of mass media.

No matter how sharply our target segmentation analyses led us to very discriminating definitions of target consumers, those target definitions were forced into a few simplistic cookie-cutter patterns usually based on one or two demographic characteristics. These were:

- The familiar "any housewife, eighteen to forty-nine,"
- The universal "any male head of household, twenty-four to forty-nine,"
- The "any young woman, eighteen to twenty-four,"
- Or "any young man, eighteen to thirty-four."

Occasionally, these were tempered by an income requirement for big-ticket items or a usage requirement.

The one characteristic that all these marketing targets have in common is that no one is ever over forty-nine years of age. Apparently, marketers take for granted the conventional wisdom that brand choices are formed early and that younger families represent higher volume potential. Therefore, the most desirable customers are under thirty-five. In some cases, the age target may go up as high as forty-nine.

This way of defining consumer targets is a static and monolithic view of our society. It assumes that everyone is cut out of a few cookie-cutter patterns and that nothing really changes.

Marketing and media programs built on this kind of perspective cannot reflect the diversity of life style groups in our society nor can they be responsive to the dynamics of changing value systems which, in turn, lead to changing behavior in the marketplace.

The media have catered to this obsession with cookie-cutter demography by talking about what "great demographics" a particular publication or a particular program can deliver.

The demographics were usually expressed in terms of the youth or, occasionally, the income levels of the audience of that medium.

We should think of the different life style groups in our country as representing a mosaic of targets that differ in their product wants and needs and in their value potential to the marketer.

The key to unlocking this jigsaw puzzle lies in a combination of old and new demographic facts and in changing attitudes. This information provides clues to change and how to keep up with it. The demography is so basic it is almost simplistic. It consists of such straightforward facts as marital status, presence of children, age, sex, and occupation.

These simple demographic facts are intertwined with changing attitudes and philosophies of life that influence the way consumers respond to products and to media. Most of the keys to keeping up with change are available to all of us. Any practical-minded marketer can challenge the underlying assumptions on which past definitions of the market are based and learn whether those assumptions are out of date, and if needed, bring his or her marketing procedures in step with the realities.

Of course, the line question is how this new perspective on consumers impacts on their behavior in the marketplace. An equally important question is how it impacts on the way they respond to media. More importantly, is it possible at the present state of the art to differentiate among them?

Media use by 4 consumer segments

I believe that we can tease out the media usage patterns of the various life cycle groups by reanalysis of syndicated media data. A brief overview of the media behavior of four of these changing consumer segments includes: Women, Husbands And Wives, The Unmarried and Over Forty-Nine.

This will be based on heavy users (top quintile) of six types of media. Even this broad stroke comparison reveals that these segments do have very distinctive ways of using media. In the interest of space I will not go beyond this overview comparison. However, an examination of day part, program type, station type, and category of magazine reveals profiles of each segment as distinctive as a signature.

Women

There is one simple demographic fact that is the basis of a quiet revolution: the dramatic rise in the number of women in the United States who go to work.

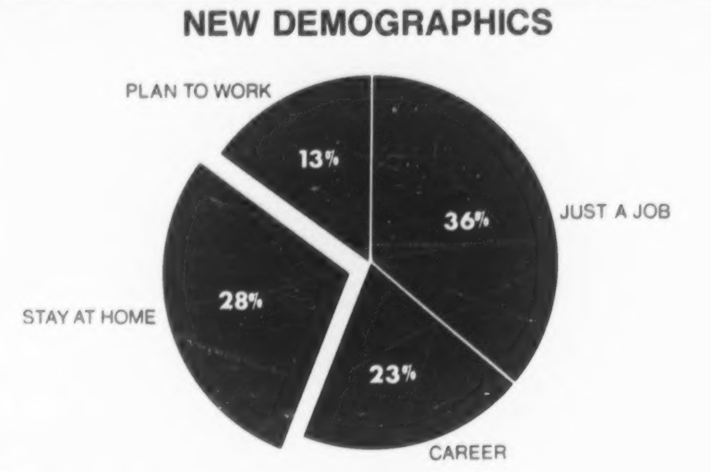
In 1980 fifty-two percent of all females in the United States sixteen years of age and over were in the work force. Only thirty-seven percent of all women were full-time housewives. The remaining are out of the mainstream: they are either still in school or retired or disabled.

Once we remove the schoolgirls and the grandmothers from the picture, the ratio of working women to housewives is fifty-nine to forty-one percent. However, there is such diversity among both working women and housewives that it would be too simplistic to treat these two categories of women as though they were monolithic groups.

A meaningful way of segmenting these two groups of Women emerged from a pair of questions asked by the Yankelovich Monitor.

(1) Housewives were divided into those who do not plan to go to work and those who do. We designate these as *stay-at-home* and *plan-to-work* housewives.

(2)Working women were divided into those who consider their work *just a job* and those who are *career oriented*.



Sources: Yankelovich Monitor and Bureau of Labor Statistics

I have termed this way of dividing the women's market as "The New Demographics." Since 1975 these questions have been incorporated in most major media sources. They were first used by the Target Group Index. When that company was reorganized into the Simmons Market Research Bureau the questions were continued. At the present time Mediamark Research Inc. also uses the questions. In addition, they are used by the Canadian media Service, Print Measurement Bureau.

For the past six years we have been able to forge a link between our speculations about these groups of ladies and their actual behavior in the marketplace. We have learned some new facts about the New Demographics. They differ from each other demographically, psychologically, and in their marketing behavior. They differ just as sharply in their media behavior!

- It is not surprising that both sets of housewives are heavy viewers of daytime tv. We were somewhat surprised that *plan-to-work* housewives who are younger and more outward bound in their interests have their sets tuned in even more frequently in the daytime than their *stay-at-home neighbors*. Clearly, daytime tv is no way to reach working women, either job or career.

- Presumably all women are available to watch tv during the evening hours. However, the two groups of housewives are the heaviest viewers of primetime tv, with *plan-to-work* housewives even more avidly glued to the tube than their *stay-at-home* neighbors. Just-a-job working women are just over the norm in heavy viewing of primetime tv and career women are just under the norm.

- When it comes to radio, the picture is different. Both job and career working women are more likely to listen to radio then their housewife counterparts. *Plan-to-work* housewives are far more likely than *stay-at-home* to be heavy radio listeners. The two working women groups tend to listen to radio during drive time as much as men do.

- If there is any doubt that working women are not all cut out of the same mold, their response to print media tells the story. Career oriented working women are by far the heaviest readers of magazines. As a matter of fact, they are heavier readers than men, and they read a great many magazines of all categories. They are seconded in this not by their just-a-job working colleagues but by the *plan-to-work* housewives. These *plan-to-work* housewives are very responsive to all media. They tend to echo career women in the way they buy and use products.

- There is a real differentiation in the way women respond to newspapers. Both types of housewives are likely to be below the norm in heavy reading of newspapers. There is a spectrum of response across the four New Demographics: *stay-at-homes* are least likely to be heavy readers of papers and career women are most likely to do so.

- Response to outdoor advertising also reflects the way lifestyle impacts on media. The two types of working women are far more likely to be out in their cars and exposed to outdoor advertising than either of the housewife groups. While they are far below the norm, *plan-to-work* housewives are more likely than their *stay-at-home* neighbors to be out driving where they see billboards.

Another simple demographic fact which provides clues to change is the concept of life cycle. People simply change as consumers as they move in and out of different stages in life and so do their wants and needs in relation to products and services. Are they married or not? Are there any children around the house? These two simple demographic facts are basic to people's marketing and media behavior and crucial to understanding their potential as customers.

Sixty-two percent of all adults in the United States are married and in almost half of those households the wife is in the work force. How does the fact that the wife goes to work affect the way the family lives and how they use media?

Husbands and housewives

First, let's take a look at the husbands and wives in the households where the wife is a fulltime homemaker.

- As we saw earlier, both types of housewives are above the norm of all women in watching both daytime and primetime tv. Therefore, it is not surprising that these married stay-at-home and plan-to-work housewives follow that pattern. We would not expect their husbands to see much daytime tv, and they don't. However, they are not nearly as avid fans of primetime tv as their wives appear to be.
- Both types of housewives are far more likely than their husbands to be heavy magazine readers. Plan-to-work housewives are even more involved with magazines than their stay-at-home neighbors. In both cases their husbands are below the norm in heavy magazine reading.
- On the other hand, the husbands are heavy readers of newspapers and are very likely to see a lot of outdoor advertising. Their wives, on the other hand, are far less likely to be heavy newspaper readers or to see advertising on the highway.

Husbands and working wives

What are the differences in the media behavior of the husbands and wives in the two-paycheck households?

- As might be anticipated, daytime tv is no way to reach the two-paycheck couple, although the wives do somehow get to see daytime tv more than their husbands do. Husbands are less likely to watch primetime tv than their wives. Only just-a-job working wives are above the norm in heavy tv viewing in the evening.
- We saw earlier that career women are heavy magazine readers. This pattern continues among career wives. Married just-a-job working women are above the norm in supporting magazines, but not nearly to the same extent as their career sisters. Men with career wives are far more likely to read magazines than any of the other groups of husbands. However, their readership is not nearly as intense as that of their wives.
- On the other hand, career husbands are the heaviest readers of newspapers. Career wives are also far above the norm in reading newspapers. They are followed by the husbands of just-a-job working women. The latter wives are just under par in newspaper reading.
- Both husbands and wives in both types of two-paycheck households see a great deal of outdoor advertising. In both cases the husbands see more of it than their wives.

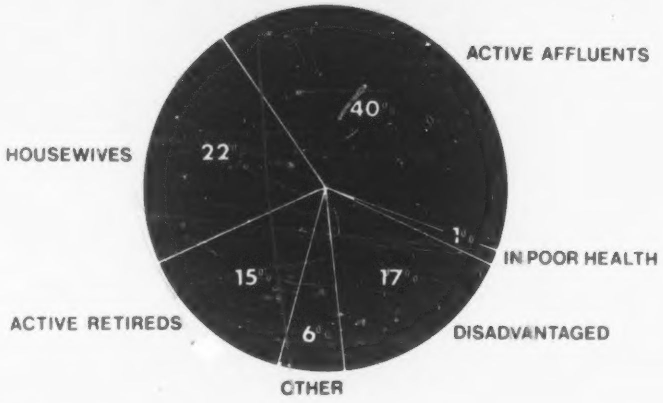
The unmarrieds

Thirty-nine percent of American adults are not married. They represent the single women and bachelors who have never married, the divorced, the separated, and the widowed. And thirty-four percent have neither spouse nor child in their lives. But their numbers don't tell the whole story. Many of them represent a major change in attitudes and life styles. The tendency toward delayed marriage or nonmarried living arrangements and the tendency toward delayed families or to no children at all suggest profound social changes that will affect the structure of families in the future.

Remember, nothing is forever. Unmarried people have a way of getting married or re-married or even re-re-married! Somewhere I heard a statistic, which I can't vouch for, that four out of five divorces end in marriage.

And not all people without spouses are necessarily swinging singles. The unmarrieds cluster at both ends of the spectrum and, of course, the consumer needs and media interests of the two

PROFILE OF PEOPLE OVER 49



Source: JWT special tabulations

age groups are very different. Let's take a look at how unmarried women and men who are actively in the work force select and use media.

- Unmarried men are particularly unlikely to view daytime tv, and they are not very heavily represented in the primetime audience. Unmarried working women, both job and career, are below par in watching tv during the day. They are just under the norm in watching tv during the evening.
- Both unmarried men and women are particularly responsive to radio. All three segments are stong fans of radio. There is no time to go into detail here, but clearly an analysis of the types of stations they listen to could help an advertiser do some very fine/tune segmenting even at the present state of the art.
- Following the pattern we saw earlier, unmarried career women are the heaviest supporters of magazines. Unmarried men and just-a-job working women are just over the norm in heavy readership of magazines.
- Career women and unmarried men are also over the norm in heavy reading of newspapers. They aren't quite as strong supporters of newspapers as their married counterparts.
- Clearly, all three groups are out and around in their cars. They are all above the norm in seeing outdoor advertising. Career women and unmarried men are equal in this. While just-a-job working women are above the norm, they are less likely than the other two unmarrieds to see a great deal of outdoor advertising.

Over forty-nine: the invisible consumers

With modern health care and early retirement, there are many able-bodied, young old people whose life styles are changing and whose consumer needs have changed. Most marketing managements set their sights at targets under forty-nine years of age and tend to ignore the fact that there are many active, valuable customers aged fifty and over. The Over Forty-Nine market is not only invisible, it is not a monolithic market at all. The greatest mistake any marketer can make is to generalize about "senior citizens" or "older Americans" as a group.

The watershed events that occur after forty-nine are retirement, empty nest, loss of a spouse, and ill health. Time, money, and health are also keys to defining the marketing segments concealed within the invisible market of Over Forty-Nine. Considering the watershed facts of their lives and the objective facts of time, money, and health, we have identified several distinct segments among the invisible market of Over Forty-Nine. The three groups that have real potential as customers are: the Active Affluents, the Active Retireds, and the Housewives.

The way they behave in the marketplace and their selection of media is evidence of their diversity. There are two marketing questions that help define these segments: how do they spend their time? and how do they use media?

- Neither men nor women among the Active Affluents who are still in the work force or the Active Retireds are particularly heavy viewers of primetime tv. They are all below the norm. Among housewives, only the wives of the Active Affluents are slightly above par. Wives of retired husbands are least likely to watch primetime tv.
- The story is somewhat different during the day. Retired men are just at the norm in heavy viewing of daytime tv, while retired women and all three types of housewives are strong fans of tv during the day.
- None of the Over Forty-Nine segments are apt to be very involved with radio. They are all below the norm in being in the top quintile. This is in sharp contrast to the unmarried men and women who are still in the work force for whom radio is a very potent medium.
- The pattern we saw earlier of women being very supportive of magazines is echoed among the Over Forty-Nine's. The Active Affluent women who are still in the work force are heavy magazine readers as are the housewives who are married to Active Affluent men. While the wives of retired men may not watch much tv in the evening or listen to their radios, they do read magazines a great deal. The unmarried housewives who are predominantly older widows are least likely to be magazine readers.
- Both men and women Active Affluents are strong supporters of newspapers. This is the one medium in which men outstrip the women. The wives of those Active Affluent men are also heavy newspaper readers.
- Active Affluent men are the only segment among the Over Forty-Nine who are likely to see a great deal of outdoor advertising. Active affluent women are just under the norm. Neither retired men and women nor housewives are likely to see very much outdoor advertising. Apparently, they aren't out in their cars as much as the Active Affluent men.

Social change is redefining consumer targets in our country. Every change in society alters the context of people's lives and that changing context creates new marketing opportunities. This brief overview of their media behavior shows how consumers find their own patterns among the choices presently available among the mass media.

The revolution in media technology promises new, exciting potential for advertisers. In the 1980's we will move from the homogenized, broad stroke channels of mass media to an array of segmented communication opportunities which have been labeled "demassification." At long last we will be able to match the marketing segments that we identify through analysis of social change to new, increasingly discriminating media channels.

The days when the media planner listened politely to some abstract definition of marketing segments and then proceeded to force it all into the cookie-cutter mold of "any housewife, eighteen to forty-nine" are gone.

The two most overworked words in marketing are "challenge" and "opportunity." And, yet, I can think of no other way to describe the media potential of the 1980's. We have heard a great deal about the media revolution and demassification. At long last we will be able to link our media to the marketing opportunities offered by the many segments in the consumer marketplace that lurk behind the cookie cutters.

Will we meet the challenge? Or will it be business as usual?

Rena Bartos

Areas of change in '82

Decisions surveys of company marketing managers and agency media directors reveal where they expect to find most change in media. Also of concern: how to police excesses in sex and violence and other matters of moral import.

Elsewhere in this issue, Gus Priemer of S.C. Johnson points out that "most advertising people see the new video technology as their industry's great challenge for the 1980's." Debunking the attention and analysis currently devoted to the new video technology as a red herring, about the size of Moby Dick. We may agree on the magnitude, but not on the substance."

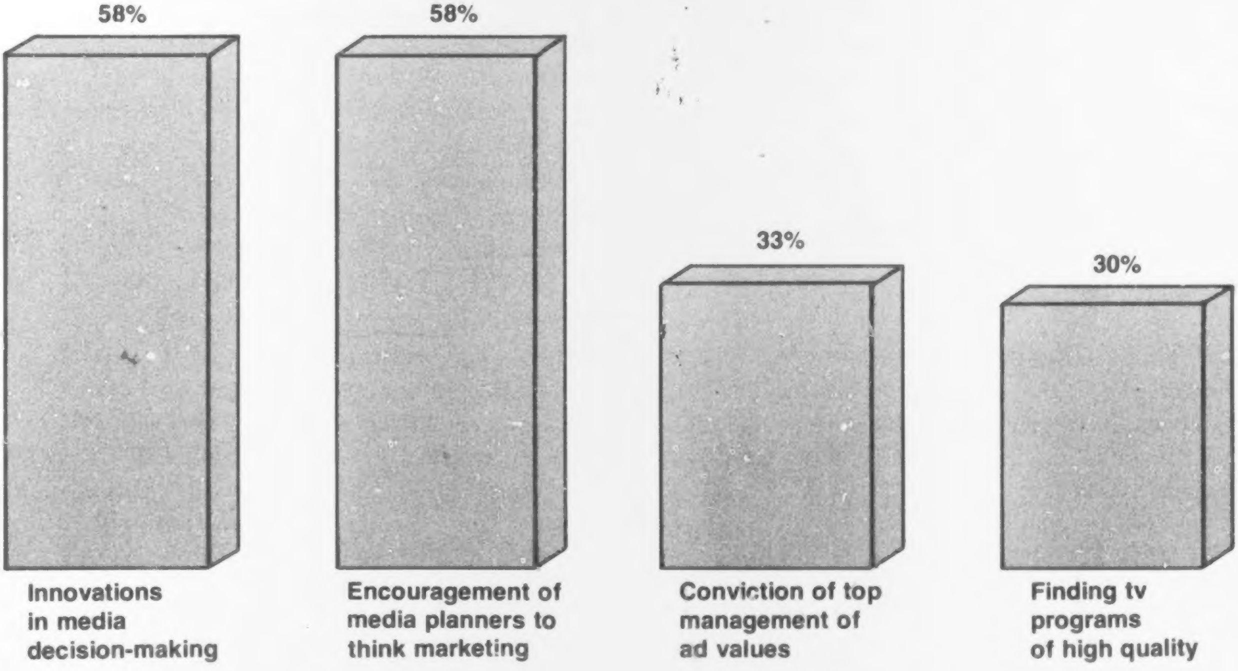
However, most media people think otherwise. A *Decisions* survey of advertisers whose products make up our Top 200 Millionaire Brands, and of their agencies, reveals that use of the new electronic media as an advertising vehicle is indeed a top priority for 1982, and one that is being taken seriously at every level of the business.

The survey queried agencies and advertisers on a half-dozen areas of change pinpointed by *Decisions* editors, leaving open the option for a quick, multiple-choice response, or more in-depth write-in comments from which quotations below are drawn.

The subject of new electronic media was rated as a key issue for 1982 by 77% of respondents; 14% said the new media won't be a particularly important challenge for media people next year.

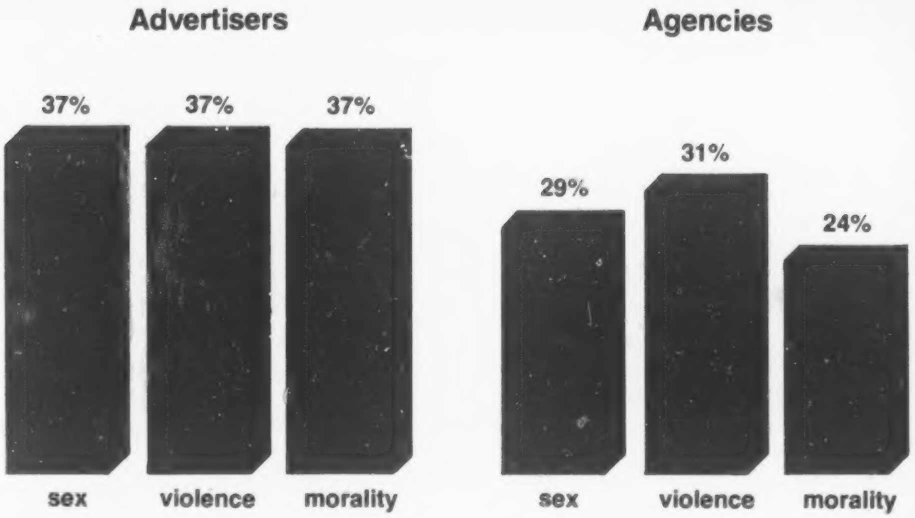
On the advertiser side of the busi-

Advertisers say: these will be key areas of change in 1982



Source: Decisions survey of marketing managers.

Advertisers and agencies say: 1982 tv program standards should include judgments on —



Source: Decisions surveys of marketing managers and agency media directors

medium will no longer be a cliche, it will be the only way to assure the advertiser that his message has a chance of survival. Media people must recognize the opportunity and seize the moment."

The agency preoccupation with new media also emerged in another part of our survey. Asked to pinpoint the media in which more planning and buying expertise is needed, cable was mentioned by 74%, followed by magazines, with 47% mentioning. After cable and magazines, 37% of media directors felt more expertise was needed in newspaper planning and buying, 37% felt more skill is needed in outdoor, and 26% thought a better understanding of radio planning and buying is in order for 1982.

Another subject that rates high concern at agency media departments is finding effective, meaningful ways to measure audience response to advertising. A full 77% said this will be a priority issue next year.

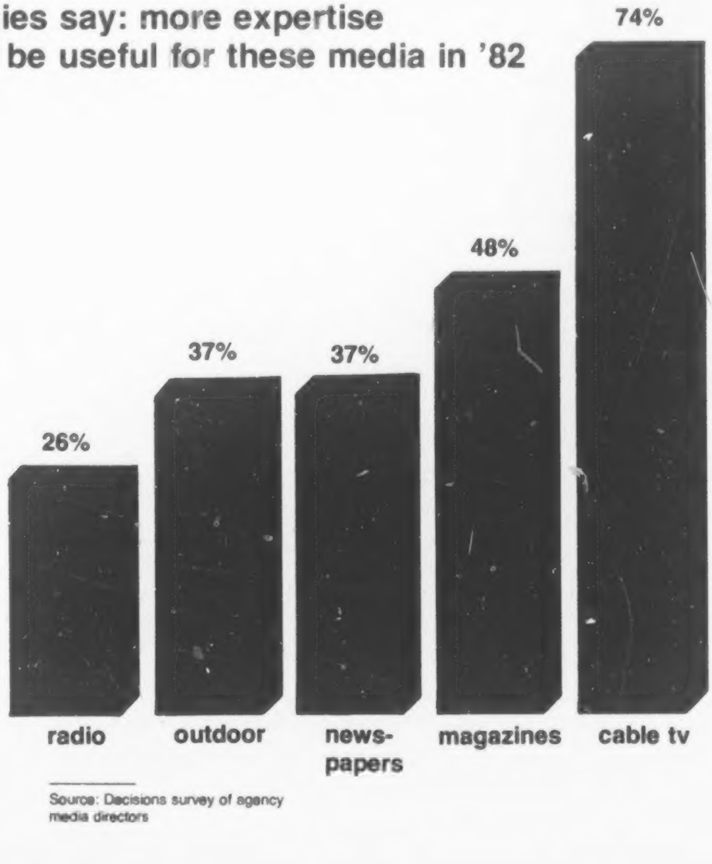
Said Mark Oken, senior vp/media director at The Bloom Agency in Dallas: "While this is a year of media change, we believe that business for the most part will continue as usual. Nevertheless, a major challenge will be concentrating more than ever on finding and testing new ways to maintain advertising/sales effectiveness in the face of ever increasing costs."

Attacking the problem from a slightly different angle was Henry Platek, vp/media director at Carr Liggett Advertising in Cleveland, who said determining proper frequency levels will be the key issue of effective ad campaigns next year: "How much advertising — reach and frequency — does it take to work properly? I think there are too many 'minimal' efforts — illusions of campaigns — going on now, which aren't paying off.

"We have to determine what are *maximum*, *average* and *minimum* volumes. Anything below minimum is wasted. Thus, an advertiser must recognize that he has to invest a certain number of dollars, attain a certain level of frequency, to achieve entry level into the advertising arena."

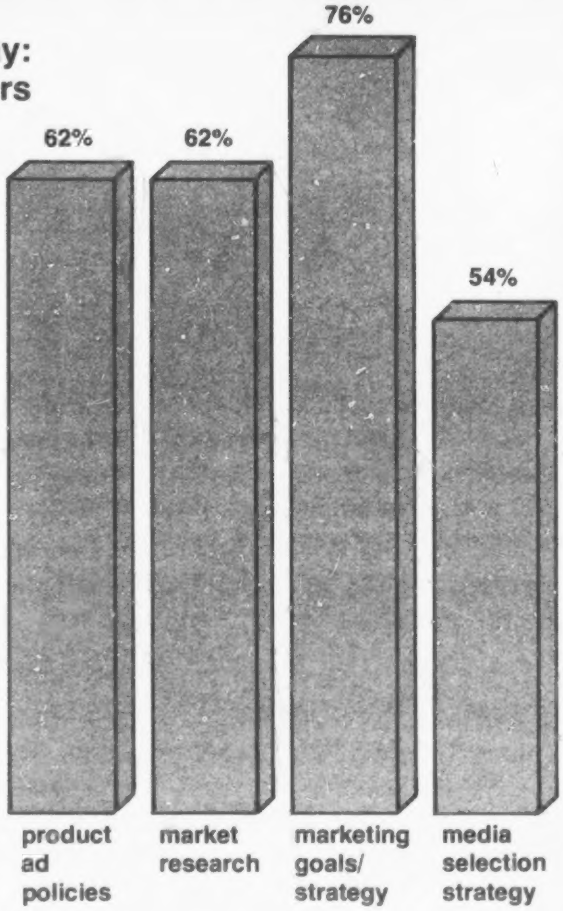
Another often-mentioned challenge

Agencies say: more expertise would be useful for these media in '82



Source: Decisions survey of agency media directors

Advertisers say: brand managers will be much involved in 1982 in these functions



Source: Decisions survey of marketing managers

for media is developing a marketing-based perspective in planning advertising. But this was an area where some difference of opinion emerged between agency and advertiser in our survey. Seventy-seven percent of agency respondents agreed that "developing marketing-based perspective on media planning" was an important challenge for 1982, with 11% disagreeing.

On the advertiser side, only 58% saw this as important, with 29% saying this would not be an important consideration in evaluations of their agency media department's work.

Another difference of opinion emerged over one of the hottest subjects of the past year — quality programing standards. There was noticable variance in the concern expressed over the amount of sex and violence in programs that advertisers will be sponsoring next year, and about the "morality issues" that were stressed in 1981 by pressure groups such as the Coalition for Better Television.

Advertisers were somewhat split on the issue. Fifty percent agreed that "Finding programing that meets standards of quality" would be a key problem for 1982, with 45% disagreeing on this matter.

On the agency side, only 40% felt that "finding television programing that meets clients' standards of quality" would be important next year, with 38% disagreeing.

On the agency side, of those who felt quality programing would be important, 31% said violence would be of most concern; 29% noted that sex was the problem; and 24% cited morality issues.

Advertisers reacted evenly to all three of these categories. Of those concerned about the problem, 37% pointed to violence, sex and morality as problem areas.

Mark Miller

Tampa Bay is the Fastest Growing Major Metro Market in the Southeast

... growing faster than Miami and Atlanta. Believe it! There is more than $1.4 billion in commercial construction now under way in the City of Tampa alone. The dynamic Tampa Bay market is comprised of Hillsborough, Pasco and Pinellas Counties. Be sure your print schedules include these powerful newspapers.

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Morning and Sunday
The Tampa Times
Evening and Sunday

Media General Newspapers
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P. O. Box 191, Tampa, Florida 33601
(813) 272-7447

Source: S&MM Survey of Buying Power, 1980

Top 20 Metro markets — how they're growing

The top 20 U.S. metro markets house 38% of the total U.S. population, as counted by the 1980 Census.

They're still growing — up 5% since the previous Census in 1970. But total U.S. population is growing faster — up 11% since 1970.

The large metros offer the most condensed targets for marketers and media. But the areas outside the metros (rural, small towns and exurbs) moved up from 54% of U.S. population in 1970 to 56% in 1980.

The markets in the table below are as defined by the U.S. Census in 1980: SCSA's (Standard Consolidated Statistical Areas) or SMSA's (Standard Metropolitan Statistical Areas).

We have also followed the Census definition of suburbs — areas outside central cities but within either SCSA's or SMSA's. Elsewhere in this issue we have added a non-Census definition for exurbs, fast-growth areas outside SMSA's but in counties abuting the SMSA counties.

The fastest growing metro markets — with the exceptions of Miami and Houston — are not among the 20 largest. As demonstrated on page 39, the top 25 metros in terms of growth 1970-1980 are concentrated in the South and West.

Ten of the fastest growth SMSA's are in Florida: Miami/Ft. Lauderdale/Hollywood; Ft. Myers/Cape Canaveral; Sarasota; West Palm Beach/Boca Raton; Orlando; Bradenton; Daytona Beach; Tallahassee; Tampa/St. Petersburg; Lakeland/Winter Haven.

Five of the fast-growers are in Texas: Houston; Bryan/College Station; McAllen/Pharr/Edinburg; Brownsville/Harlingen/San Benito; Austin.

Two, Phoenix and Tucson, are in Arizona. Two are in Nevada: Las Vegas and Reno. Two are in California: Santa Cruz and Santa Rosa.

Four other western states have one each: Richland/Kennewick/Pasco in Washington; Fort Collins in Colorado; Provo/Orem in Utah; Boise City in Idaho. All of these grew over 40% between the 1970 and 1980 Census.

The greatest losers among SMSA's in the ten year period between Census readings were: New York (down 9% for the SMSA and 6% for the Consolidated New York/New Jersey/ Connecticut area); Cleveland (down 8%; Boston (−5% in the SMSA, although the exurbs of Boston are the fastest growth area in New England); Pittsburgh (−6%); Buffalo (−8%); Utica/Rome (−6%); Stamford, Conn. (off 4.5% in population as the area switched from residential to business — and the people moved into Stamford's exurbs); Pittsfield, Mass. (−6.5%).

The 284 SMSA's listed by the Census grew as a whole 9.4% between Censuses, with the suburban segments of those SMSA's growing 17.4%.

Growth by Census region exhibited some sharp contrasts: plus or minus zero change in the Northeast, up 3.7% in the North Central states, up 19.1% in the South, and 23.4% in the West.

The SMSA's that moved up in rank were: San Francisco (from sixth to fifth), Houston (from thirteenth to eighth), Dallas (from twelfth to tenth), Miami (from sixteenth to twelfth), Atlanta (from No. 19 to No. 18), San Diego (from 21st to 19th), Denver (from 24th to 21st), Tampa (from 26th to 32nd), Portland, Oreg. (from 29th to 27th).

Population in millions
Central cities are shrinking
Suburbs are expanding (portion of SMSA or SCSA outside Central City)
New York SCSA 17 54% 46% '70; 16 51% 49% '80
Los Angeles SCSA 10 41% 59% '70; 11.4 39% 61% '80
Chicago SCSA 7.6 49% 51% '70; 7.7 43% 57% '80
Philadelphia SCSA 5.6 38% 62% '70; 5.5 33% 67% '80
San Francisco SCSA 4.4 38% 62% '70; 4.8 38% 62% '80
Detroit SCSA 4.7 35% 65% '70; 4.6 28% 72% '80
Boston SCSA 3.5 27% 73% '70; 3.4 25% 75% '80
Houston SCSA 2.2 62% 38% '70; 3.1 54% 46% '80
Washington SMSA 2.9 26% 74% '70; 3.0 21% 79% '80
Dallas Ft. Worth SMSA 2.4 52% 48% '70; 3.0 43% 57% '80
Cleveland SCSA 3.0 39% 61% '70; 2.8 33% 67% '80
Miami SCSA 1.9 31% 69% '70; 2.6 24% 76% '80
St. Louis SMSA 2.4 26% 74% '70; 2.3 19% 81% '80
Pittsburgh SMSA 2.4 22% 78% '70; 2.3 19% 81% '80
Baltimore SMSA 2.1 44% 56% '70; 2.2 36% 64% '80
Minneapolis SMSA 2.0 38% 62% '70; 2.1 30% 70% '80
Seattle SCSA 1.8 40% 60% '70; 2.1 34% 66% '80
Atlanta SMSA 1.6 31% 69% '70; 2.0 21% 79% '80
San Diego SMSA 1.4 51% 49% '70; 1.9 47% 53% '80
Cincinnati SCSA 1.6 35% 65% '70; 1.7 30% 70% '80
San Francisco 2%
Los Angeles 5%
Chicago 3%
Detroit 2%
Philadelphia 2%
New York 7%
Boston 2%
Washington 1%
Dallas 1%
Houston 1%

Percent total U.S. population in 10 largest Metro areas

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MARKETING & MEDIA Decisions

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the airwaves?
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CBS takes
a giant step
for videotex
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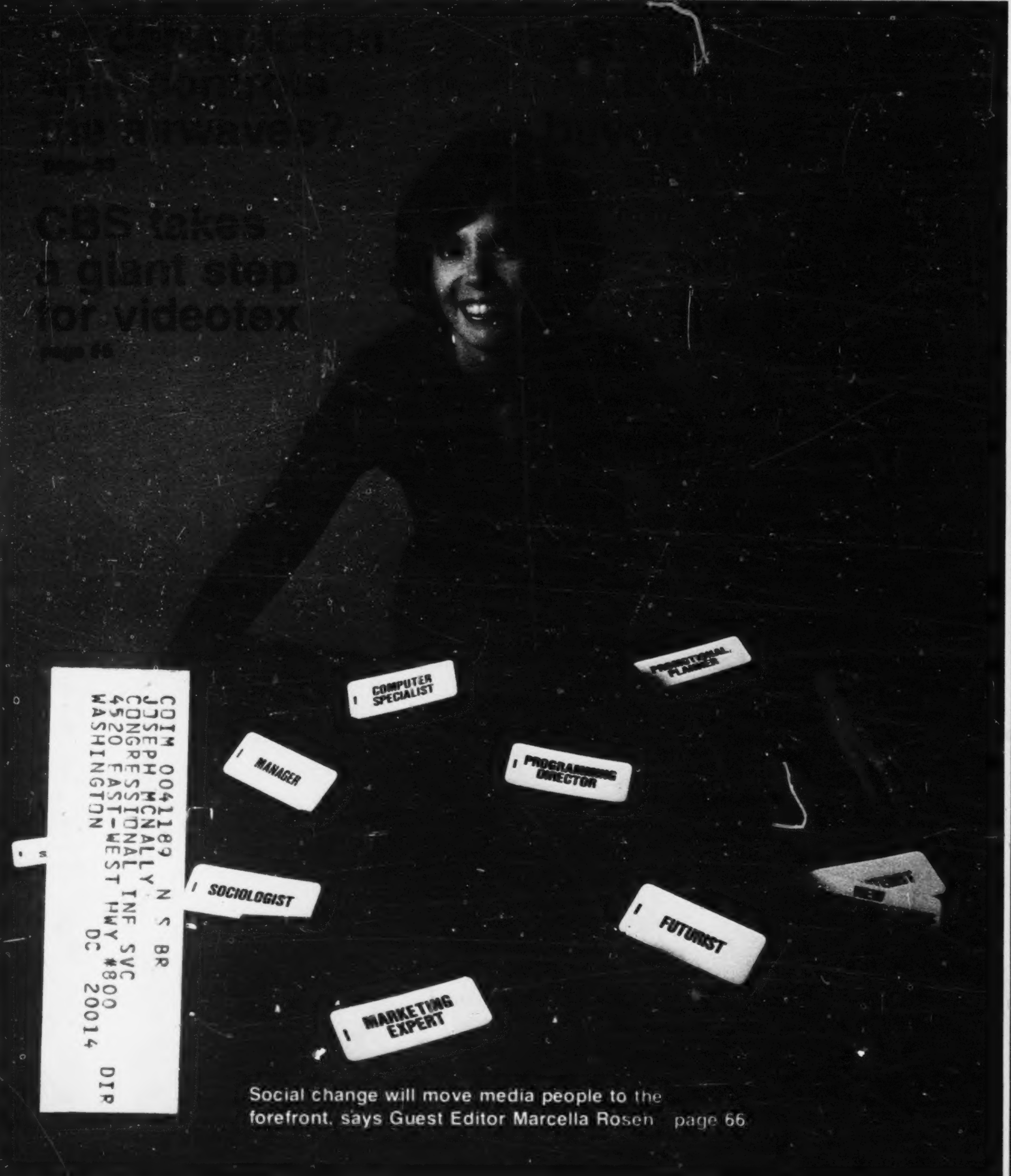
COMPUTER SPECIALIST
PROMOTIONAL PLANNER
MANAGER
PROGRAMMING DIRECTOR
SOCIOLOGIST
FUTURIST
MARKETING EXPERT

Social change will move media people to the forefront, says Guest Editor Marcella Rosen page 66

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MARKETING & MEDIA

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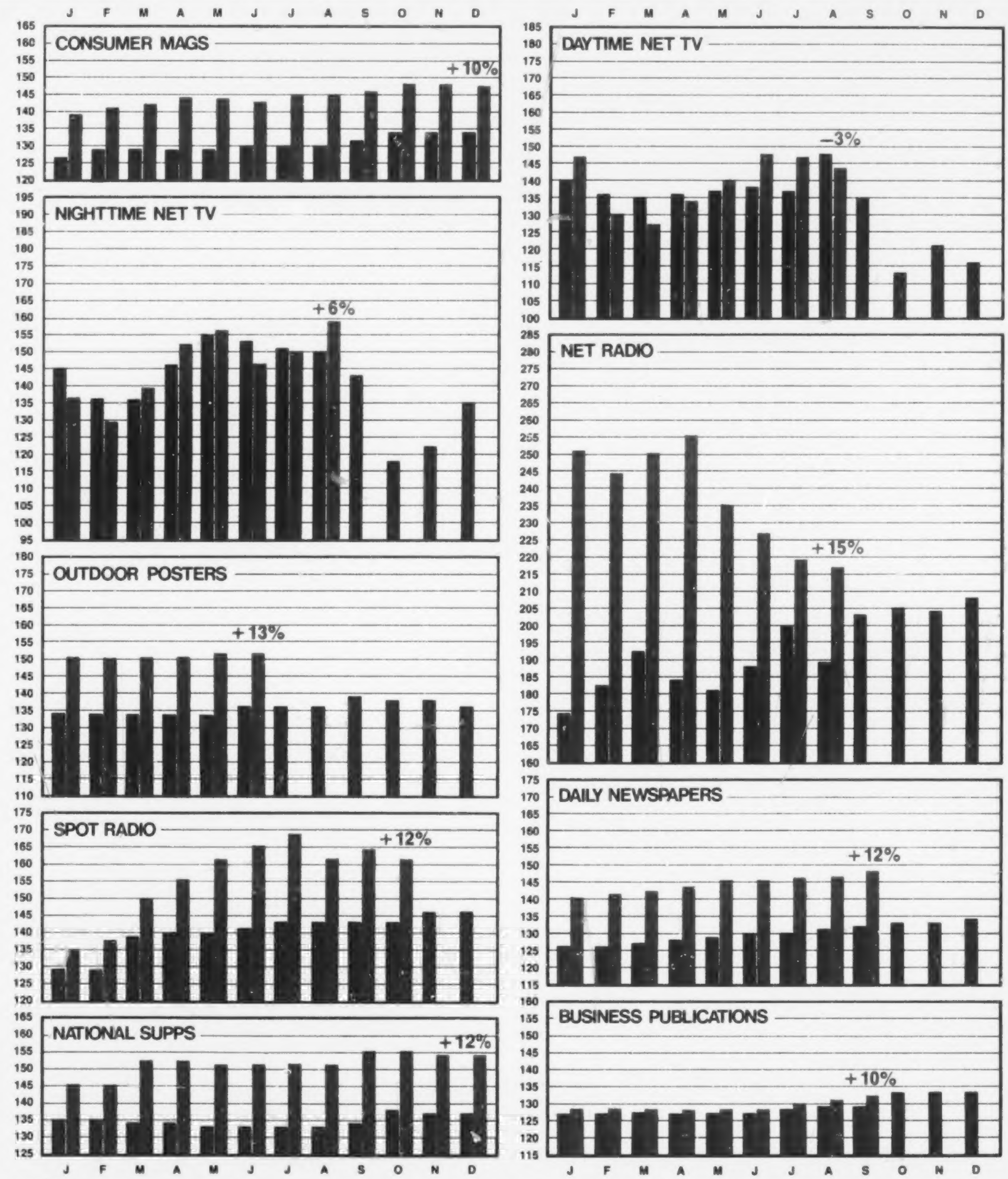
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spout 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page.

COST TRENDS
a Decisions analysis

Magazine costs get an unusual amount of attention at this time of year. Because of the timing of rate hikes, they tend to come at year's end. This year is normal in that respect. Our "New in Media" column in the November issue carried a string of such notices.

The average increase is about 10% — in line with estimates for consumer magazine rate increases for calendar year 1982 that were forecast by *Decisions* last August. And the monthly index on the page opposite also shows a 10% increment in cost.

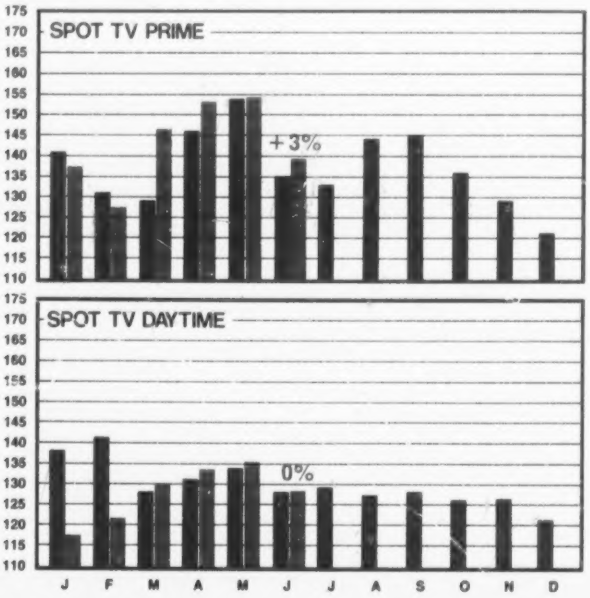
Among typical rate rises for 1982 are *New York* magazine, up 10%; *Outdoor Life*, plus 12%; *Time*, plus 11.6%, *People*, up 14.5%: *Changing Times*, plus 10%, *Science 81*, plus 40%; *Life*, plus 9%; *Field & Stream*, plus 10%; *Self*, plus 49%; *Golf*, plus 12%; *Money*, plus 18%; *Us*, plus 9.5%; *Mechanix Illustrated*, plus 7%; *Fortune*, plus 10%.

Advertisers and their agencies are alarmed by the increases — however much they may be justified by rising paper/printing/postage/people costs and circulation increases (that may keep cpm's in line or actually lower them). They point out that relatively high entry costs keep a lot of advertisers out of tv. They worry about the same situation developing for the magazine medium.

Advertiser interests in ways to stay in magazines without upping total expenditures is high. They are more willing to try new books — with limited target audiences.

More of them are buying multi-product inserts — à la the special advertiser sections in *Reader's Digest*.

More of them are paying the cpm premium for regional and demographic splits in order to hold down entry fees. For some advertisers, a regional, multi-page blockbuster is more merchandisable than an every-issue schedule in the full run. Several magazines have spotted this trend and have already responded with new splits.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

FREE INFO
on a market for sales greater than several States!

FREE INFO
on the one medium that daily delivers nearly half the households in a market for sales greater than several States!

FREE INFO
on the one medium in a market for sales greater than several States that daily delivers more in any age bracket...more of any income group...more at any education level!

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Manufacturers of over-the-counter pharmaceuticals spent over $520 million last year advertising an endless slew of new, improved, extra-strength ways to stop headache pain, runny noses and itchy eyes. The medium of choice for these products is television, and network tv is the primary benefactor. Still, media planning is not as simple as attaining shotgun exposure on tv.

Brand report 71

Pharmaceuticals

The over-the-counter pharmaceutical market is fiercely competitive, and filled with quirks. It is cluttered with established brand names, and their new, improved sibling products now available in capsule, tablet or liquid form.

The cure for the marketing headaches this competition creates, according to pharmaceutical marketers, is a heavy dosage of network television.

The reliance on tv and the heavy concentration of media dollars during the first and fourth quarters — the prime seasons for sneezes, sniffles and all-around aches and pains — has made the proprietary media pie enormous and well worth the fight. According to Leading National Advertisers and Media Records, over-the-counter pharmaceuticals manufacturers spent over $520 million in media last year advertising cold remedies, sinus and cough aids, digestive aids, antacids and laxatives, medicated skin products and other miscellaneous medicines.

As with perhaps no other industry, proprietary manufacturers place a greater emphasis on the importance of the media campaign to give their brands an edge in a very crowded field. A recently released Federal Trade Commission study of 217 industries' spending on media as a percent of sales revealed that drugs and proprietaries dominate the field.

Over 20% of over-the-counter pharmaceutical sales dollars in 1975 were spent on advertising, according to the report. Only seven of the 217 industries devoted more than 10% of sales to advertising media.

The FTC report also showed that proprietary manufacturers that year spent only 2.8% of sales on research and development, even though the entire market is susceptible to sudden medical and chemical breakthroughs and improvements.

The message seems to be that the pharmaceutical marketer must come up with the new and improved remedy in order to remain in the competitive stakes, but to win the game it must engage in a very costly, head-to-head major media campaign to get its message across to consumers in a media marketplace cluttered with competitors.

The clutter effect results, in part, from the sheer number of product ad campaigns that converge overnight on the network schedule as the first chilling winds sweep down upon the major markets, and last until the first signs of Spring (when allergy remedies pick up the slack).

But the clutter stems also from the almost universal application of the shotgun technique to media planning. The target audience for most of the products included in this brand category is either every adult or every child. With the trend toward distributing over-the-counter pharmaceuticals to grocery stores and supermarkets as well as drug stores, the target demographic also parallels that for any packaged good product sold through groceries. In the media plan, the goal is to reach as many consumers as possible. Finely targeted marketing, as a whole, is lost on these marketers.

"We concentrate on network radio instead of spot radio," said Irwin Fleischer, media director at Richardson-Vicks, discussing the media mix for the $3.3 million 1980 campaign for Clearasil Medication. More than 25% of the ad budget went to network radio, according to LNA. "We went with network over spot because we are a national brand."

The same argument holds true for the brand category's preference for network television over spot tv buys. Of the $520 million total media expenditures last year, over 60% was spent on network tv, with another 15% going to spot tv.

Commented one ad director at a major pharmaceutical house, "There's nothing crystal ball about it. Television is the battleground for the analgesic category."

The LNA figures for spot buys may be slightly inflated, too, as they incorporate some national syndication buys in the totals.

Bob Geller, director of Adforce, the in-house media agency at Pfizer, explained that a $638,800 spot tv campaign for 1980 and the $1.2 million spot tv buys in 1979 as recorded by LNA for Pfizer's Ben-Gay analgesic ointment are really misrepresentations of the firm's involvement in the spot market.

"The use of spot as reported by LNA," said Geller, "was actually our buying into *Hee Haw* and *The Law-*

rence Welk Show in the top 200 markets. These were non-network shows with network delivery. We would not call that spot buying. We dropped out of the shows completely when it became apparent that they weren't delivering the audience we wanted, and now we are completely on network tv."

Pfizer last year ranked ninth among proprietary manufacturers in advertising dollars at $16.6 million.

Magazines are used for both new product launchings and testings, and for multi-product campaigns following up on several related campaigns that have already been established through television exposure.

In the case of Bristol-Myers' Comtrex cold medicine line, ad budgets for the liquid and tablets forms of the remedy were cut 94% in 1980, according to LNA, while Comtrex multi-product advertising increased more than $7.3 million to $11.7 million, with magazine advertising increasing four-fold to $1 million.

In total, LNA reports that over-the-counter pharmaceutical advertisers as defined in this report spent about $40 million in magazines last year, or less than 10% of the total brand category ad expenditures.

While there may be "no crystal ball" effect in the marketing of proprietaries, it's not as simple as buying blanket coverage on network prime-time, backed up with a modest print campaign. There are quirks to the business, and some are self-imposed.

For example, the industry professes to include some of the most "program content conscious" advertisers on tv. Most of the major brand category advertisers are such heavy users of network tv that they are able to routinely pre-screen episodes of programs and decide whether to pull a commercial because of any possible offensive language, action or theme in the show.

Richardson-Vicks, for instance, has pre-screened its programs for more than 10 years, refusing to sponsor any particular show that contained, in Richardson-Vicks's opinion, gratuitous sex or violence, the use or abuse of narcotics, and other aspects that do not meet the corporation's general parameters of good taste.

Despite the industry's professed concern for and attentiveness to program content, several pharmaceutical marketers this year were cited by Moral Majority-affiliated groups and other so-called decency coalitions as sponsors of television's most sexually offensive and violence oriented programs on network tv.

The National Federation for Decency, an affiliate organization of the arch conservative Coalition for Beter Television, cited Warner-Lambert, a $16 million pharmaceutical advertiser, Beecham, a $7 million advertiser in network tv exclusively, Noxell and Pfizer as advertisers on the "most sexually offensive" shows. The programs included *Three's Company*, *Soap*, *Laverne & Shirley*, *Happy Days*, *Taxi* and *Too Close for Comfort*.

> **". . . There is nothing crystal ball about it. Television is the battleground for the analgesic category . . ."**

Another conservative watchdog group, the National Coalition on TV Violence, cited SmithKline, a $20 million pharmaceutical advertiser, Beecham, and Sterling Drug, the third biggest advertiser in the brand category at $40.6 million in 1980, as sponsors of television's most violent programs.

While most of the pharmaceutical advertisers maintain that they do not need the watchful eye of these conservative groups, at least one advertiser functions from a more open philosophy.

"Beecham maintains a rather liberal attitude toward program content," said John Jacobs, the associate media director at Grey Advertising who handles media for Beecham's Sucrets and Hold products. "Besides, we buy scatter. I couldn't tell you what programs we'll be on."

Other signs of the media stakes involved in the pharmaceutical brand category are the switching of ad agencies and the redirection of media planning and placement in-house.

This year, Rumrill-Hoyt was dropped by Pennwalt as the agency of record for Allerest and Sinarest. BBDO lost Richardson-Vicks' Formula 44 cough supressant and Sinex nasal spray accounts to Ogilvy & Mather and Benton & Bowles, which already handled much of Richardson-Vicks' media for the Vicks product line.

Of the top 11 advertisers in the brand category, four handle media in-house, including the two biggest advertisers — American Home Products which spent over $100 million on OTC pharmaceuticals ads last year, and Bristol-Myers as well as Pfizer and Schering Plough, which spent over $15 million in measured media last year, according to LNA.

While generalities abound about the media habits of the proprietaries brand category, the actual strategies behind individual brands depend on whether the product is new, trying to maintain market share, attempting to increase total market size, or looking to carve out a greater part of the market as it stands.

The new and improved, extra-strength brand line extensions are usually treated as new product introductions with major, multi-million dollar network television campaigns.

This report focuses on some of the major and significant media strategies for the primary sections within the brand category — headache remedies and sedatives; cold, cough and sinus remedies; digestive aids and laxatives; and some miscellaneous OTC pharmaceuticals.

Headache remedies and sedatives

This is the second largest brand category behind cold, cough and sinus remedy advertising. In LNA measured media, headache remedies and sedatives accounted for almost $150 million last year, up about 5% over 1979. The media mix for the category followed the same percentage breakdowns as the brand category as a whole, with network television dominating at $119.2 million.

American Home Products

One of the main reasons for network television's domination of media usage in this category is the presence of American Home Products' Anacin product line, Arthritis Pain Formula, and Sleepeze tablets, all of which rely almost exclusively on television.

Top 10 Advertised Brands:
Cold, cough and sinus remedies for 1980 (in thousands of dollars)

Company	Brand Name	8-Media Total	Magazines	Supps	Network Television	Spot Television	Network Radio	Spot Radio	National Newspaper	Outdoor
Smith-Kline	Contac	13,572.4	—	—	10,769.7	1,587.2	1,207.9	7.6	—	—
AHP	Dristan tablets	12,785.9	—	—	10,441.3	2,034.0	310.6	—	—	—
B-M	Comtrex multi-product	11,818.6	1,034.3	—	9,304.1	1,428.3	—	41.2	10.7	—
A. H. Robins	Robitussin	8,794.4	295.0	—	38.9	8,460.5	—	—	—	—
AHP	Primatene Mist/spray	7,834.3	231.3	—	6,395.5	1,205.1	—	2.4	—	—
Richardson/Vicks	Vicks Nyquil	7,340.1	—	—	5,890.6	1,401.9	—	47.6	—	—
J&J	Cotylenol	6,123.7	—	—	5,987.0	136.7	—	—	—	—
Richardson/Vicks	Formula 44-D	6,081.8	—	—	5,510.1	551.1	—	9.7	10.9	—
AHP	Dristan spray	5,794.4	—	—	4,907.0	887.4	—	—	—	—
Miles Labs	Alka Seltzer Plus tabs	5,054.6	—	—	4,552.4	497.0	—	5.2	—	—

Sources: Leading National Advertisers, BAR, Media Records.

Key: AHP (American Home Products); B-M (Bristol-Myers); J&J (Johnson & Johnson).

Among the American Home Products entries in the category are classic examples of the new and improved, maximum strenth version of a well known brand name, an off-shoot product developed in response to new competition, a specialty remedy for a particular infliction — arthritis — and an old, established brand which serves as the umbrella for the product family and still commands the largest share of the total advertising expenditures.

Anacin tablets carried a $32 million budget in the LNA measured media last year, spread across network tv, spot tv, magazines and network radio. The total budget, however, was down 6% from the previous year, according to LNA, with cuts in spot tv and network radio and modest increases in magazines and network television. While network television attracted $26 million of the total budget and magazines drew only $1.5 million last year, Anacin tablets were still the only American Home Products brand to have anything resembling a balanced media mix.

The rest of the products were advertised almost exclusively on television.

Anacin Maximum Strength capsules, a new and improved form of the aspirin product in both potency and means of consuming, kicked off a $4.4 million new product campaign last year, and all but $35,000 was spent in network tv, according to LNA. The remainder was spent in spot tv.

Responding to the competition of Johnson & Johnson's Tylenol non-aspirin pain reliever, American Home Products introduced Anacin-3 non-aspirin tablets several years ago and has backed it with a television campaign each year in excess of $3 million. Last year, the emphasis switched from spot tv to network television.

Arthritis Pain Formula as a specialty remedy is more targetable than the aspirin products, skewing toward an older demographic. While network tv last year attracted $3.8 million of the product's $4.7 million budget, magazines received over $180,000, an almost 70% increase over the previous year, according to LNA.

Bristol-Myers

Bristol-Myers has two product lines in the category, Bufferin and Excedrin. The product line extensions almost mirror American Home Products entries, with Arthritis Strength Bufferin and Excedrin Extra Strength introduced last year in capsules and tablets with a combined television-exclusive ad budget in excess of $6 million; the established umbrella products, Bufferin tablets with its $13.5 million television-only campaign last year; and Excedrin tablets, which saw its ad budget cut from $12 million to $7.4 million last year, and Excedrin PM tablets with a $3.3 million ad budget last year, according to LNA.

"The Excedrin Extra Strength category was a response to the surge of Tylenol five years ago," said a Bristol-Myers exec. "It followed last year in capsule form, which was an improvement because capsules are generally regarded as easier to take than tablets."

Arthritis Strength Bufferin, a product with a more definable target audience, was primarily directed toward continuing the network television campaign. With that campaign somewhat established, however, a new $350,000 magazine campaign was launched last year.

"The reasoning behind the magazine campaign is obvious," said the Bristol-Myers exec. "We were looking for extended reach for an older profile demographic. The magazines we ran in are the ones that would reach this older audience."

While Arthritis Strength Bufferin increased its magazine expenditures, Bufferin tablets pulled out of periodicals and went exclusively with television, and predominantly with network tv.

Johnson & Johnson

The successful introduction of Johnson & Johnson's Tylenol non-aspirin pain reliever five years ago forged an entirely new category in the over-the-counter pharmaceutical brand category. Since then the product line has been reintroduced in a variety of extra-strength forms and most of the ad budget has been shifted to multi-product advertising.

Last year, Tylenol tablets, for instance, dropped from a $12.3 million, according to LNA. Tylenol Extra Strength multi-product advertising, however, increased from $3.4 million to $17.5 million, with all of that spent in network tv except for a $700,000 magazine campaign and about $245,000 in spot tv. Tylenol children's product multi-product advertising also increased from $2.6 million to $3.3 million, all in tv.

Pfizer

Pfizer has only one product in this category, Unisom Sleep Aid tablets, a two-year-old product launched with a $2.5 million budget in 1979 and expanded to $3.4 million in 1980.

The media mix in both years was predominantly oriented toward network tv, but in the initial launch year, newspaper supplements received $188,000 worth of attention from Pfizer.

"We went into Sunday supplements the first year because we wanted the broadest reach and a vehicle to explain a complex product," said Geller of Pfizer's Adforce. "The message was product superiority and while the tv launch coincided with the newspaper supplements campaign, we didn't think we could explain the product superiority in a 30-second framework. Now we are on tv exclusively.

> **"We went into Sunday supps the first year for broadest reach and a vehicle to explain a complex product."**

"Magazines probably would have worked, but once the campaign was developed into a simple, graphic visual execution of the principle selling points — that the product is better, faster, and longer working — television increases in importance.

Sterling Drug's Glenbrook Labs

Unlike its main competitors, Sterling Drug's Glenbrook Labs has stuck to Bayer Aspirin for Children and the original Bayer aspirin tablets for adults.

Bayer for Children covered about $3 million, with almost $900,000 in magazines and the rest in network tv last year; and Bayer tablets garnered over $20 million in ad dollars, including a $2.5 million magazine campaign, a $161,000 usage of Sunday supplements, a $1.1 million network radio campaign, and $16.5 million in network television.

Colds, cough and sinus remedies

This is the most heavily advertised section of the brand category, and it is also the most seasonal. With television ad campaigns all breaking at the cold season's onset, the ad strategies in this category are the most susceptible to clutter.

Nevertheless, television remains the dominant medium. Spot and network tv buys accounted for over $141 million of the $153 million spent in the category last year, according to LNA.

American Home Products

American Home Products has five products in this category that had ad budgets in excess of a million dollars last year. The media emphasis was almost exclusively television, with a strong preference for network over spot.

The make-up of the product line is generally a mirrored image of American Home Products' entries in the headache category. There is an established, umbrella brand name, two variations of the same product in different forms for consumption, a non-aspirin variety and a specialty product for persons with brochial problems.

The biggest ad budget still goes to Dristan tablets, although that budget was cut 11% last year, according to LNA. Of the $12.7 million spent advertising the product in measured media last year, almost $10.5 million went to network television.

The same percentage divisions between media hold up for the other four products from American Home Products with ad budgets of over $1 million. Primatene Mist and tablets, which LNA shows as spending $7.8 million on advertising in 1980, ran a $231,000 magazine campaign to support the product's $6.3 million network tv exposure, but it was the only American Home Products brand to use print last year.

Dristan Long Lasting Nasal Mist committed $4.9 million of its $5.7 million 1980 budget to network tv. The rest went to spot tv. The same pattern was followed for Dristan Aspirin Free tablets' at $1.1 million for 1980 and Dristan Capsules, at $1 million last year.

Bristol-Meyers

The biggest change in Bristol-Myers strategy was the shift to multi-product advertising for the Comtrex cold relief medicine product line. Advertising for the cold medicine in liquid and tablet form in 1979 had been $7.7 million, with about $7 million in network television. The same ads last year drew only $443,500 and were off network tv, according to LNA figures.

At the same time, Comtrex multi-product advertising gained from $4.3 million in 1979 to $11.7 million last year. The product's print campaign increased to over a million dollars, but the network television budget soared to $9.3 million, up from $3.7 million the year before, according to LNA.

"Television is where the battle is fought," said a Bristol-Myers marketing exec. "There is also a tremendous rush of advertising in the fourth and first quarters of the year, during the colds season. It's as if you have to squeeze your ads in wherever you can. The clutter of cold remedy ads is impossible to overcome. There are only 24 hours in a day to advertise, and you just have to do the best you can."

Richardson-Vicks

Several products in the long list of Vick's cold remedies were moved this year from BBDO to Young & Rubicam and Benton & Bowles. The shift, however, has not changed the media mix. Richardson-Vicks' products are still exclusively advertised on television, with almost all of that spent on network tv.

"A company changes agencies for a lot of reasons," said Irwin Fleischer of Richardson-Vicks. "And in this case, there were a lot of reasons, too. The change was not made, however, for any media reasons. The media strategy will remain the same."

With almost all media dollars for Vicks products going to network tv, the only question remains how much each product will garner in its ad budget.

The biggest changes over the past year have been Formula 44-D cough syrup, which had been handled by BBDO, increasing from $3.4 million to $6 million last year, all in tv. Regular Formula 44 cough syrup, giving way to its new and improved sibling, was cut last year from $2.7 million to $356,000.

Digestive aids and laxatives

Unlike the headache and cold remedy categories, the digestive aids and laxatives market is not dominated by a few major manufacturers.

The category's media strategies bebetween digestive aid products and laxatives. Digestive aids are supported almost exclusively with television advertising; laxatives, with a slightly older demographic target audience, use a mix between network television, print and network radio.

In the digestive aid category, there are several major tv advertisers.

A.G. Bayer's Alka Seltzer, a $14 million advertised brand last year, spent all but $600,000 in television, with the rest going toward a drastically reduced outdoor campaign.

Rolaids, the antacid tablet from Warner-Lambert, spent $9.2 million last year, all in television. Revlon's Tums antacid tablets spent $6.5 million last year, all in tv and all but $171,000 in network tv. Schering Ploughs Di-Gel carried a $3.2 million ad budget last year, and all of it except for a $500,000 network radio campaign went to network television.

Television remains the dominant medium for laxative advertising, but magazines are used more frequently as support for the network tv campaigns.

Schering Plough's Correctol laxative devoted about 10% of its $2.7 million 1980 ad budget to print, with the rest going to network television. Searle Drug's Metamucil Natural Source Laxative had a $312,000 print campaign included in its $2.4 million overall media strategy.

Phillips Milk of Magnesia, a $3.4 million advertised brand from Sterling Drugs, covered a $78,000 print campaign last year.

Other laxative brands, however, stayed true to the television-only media strategy. Doxidan laxative from A.G. Hoechst spent $1.6 million last year, with $1.3 million in network tv and the rest in spot tv.

Culbro's Ex-Lax flavored and unflavored pills and bars spent over $5 million last year on network television.

Miscellaneous pharmaceuticals

These are over-the-counter pharmaceuticals that do not fit, by definition, into the previously covered categories. The products also do not meet the standard media strategies employed in pharmaceutical marketing.

Some of the miscellaneous products, however, do fit the television-only media mold. Abbott Lab's Murine eye wash spent $3.2 million in advertising last year, exclusively in television. Pfizer's Visine eye wash products, however, used a greater media mix for its multi-million dollar campaigns.

The Visine brand line consists of two products, Visine Eye Drops and Visine AC Eye Drops for persons with red eyes due to allergies and colds.

Bob Geller of Pfizer's Adforce, said: "We had a two-part strategy with Visine AC. In the Spring and the Summer, we went for allergy sufferers. In the Winter months, we shot for cold sufferers. We found after the first year of sales that our main business was coming from the allergy market. So the major part of the budget was devoted to the allergy advertising."

The Visine budgets break down as follows: for Visine AC, $3.1 million total in 1980, with $2.8 million in television and the rest in magazines; and for Visine Eye Drops, $4.6 million total, with all but $467,000 spent in magazines devoted to network tv.

"We couldn't be competitive on television during the cold season," said Geller. "The clutter during that period is up considerably, and with our budget we would not be able to make any impact.

"Also, with Visine AC, it is too early to know exactly who is the target market. We've only had two allergy seasons so far since the introduction of the product. We use primetime on tv, leaning toward movies and staying away from situation comedies that skew to the older viewer."

American Home Products, which has several brands in the miscellaneous category, remains true to its media strategy of using heavy dosages of network television. Among its products using television exclusively are: Anbesol, $3.8 million last year; and Compound W Wart Remover, $1.4 million.

One American Home Products brand does break the media strategy mold: Preparation H suppositories and ointment. Last year's $10.7 million ad budget was divided between network radio and newspaper supplements.

Magazines accounted for $1.1 million of the total budget, with network radio taking $638,000 and Sunday supplements garnering $134,000, according to LNA. Television, however, continued to dominate the media dollars, with Preparation H last year spending $7 million in network tv and $1.8 million in the spot tv market.

Craig Reiss

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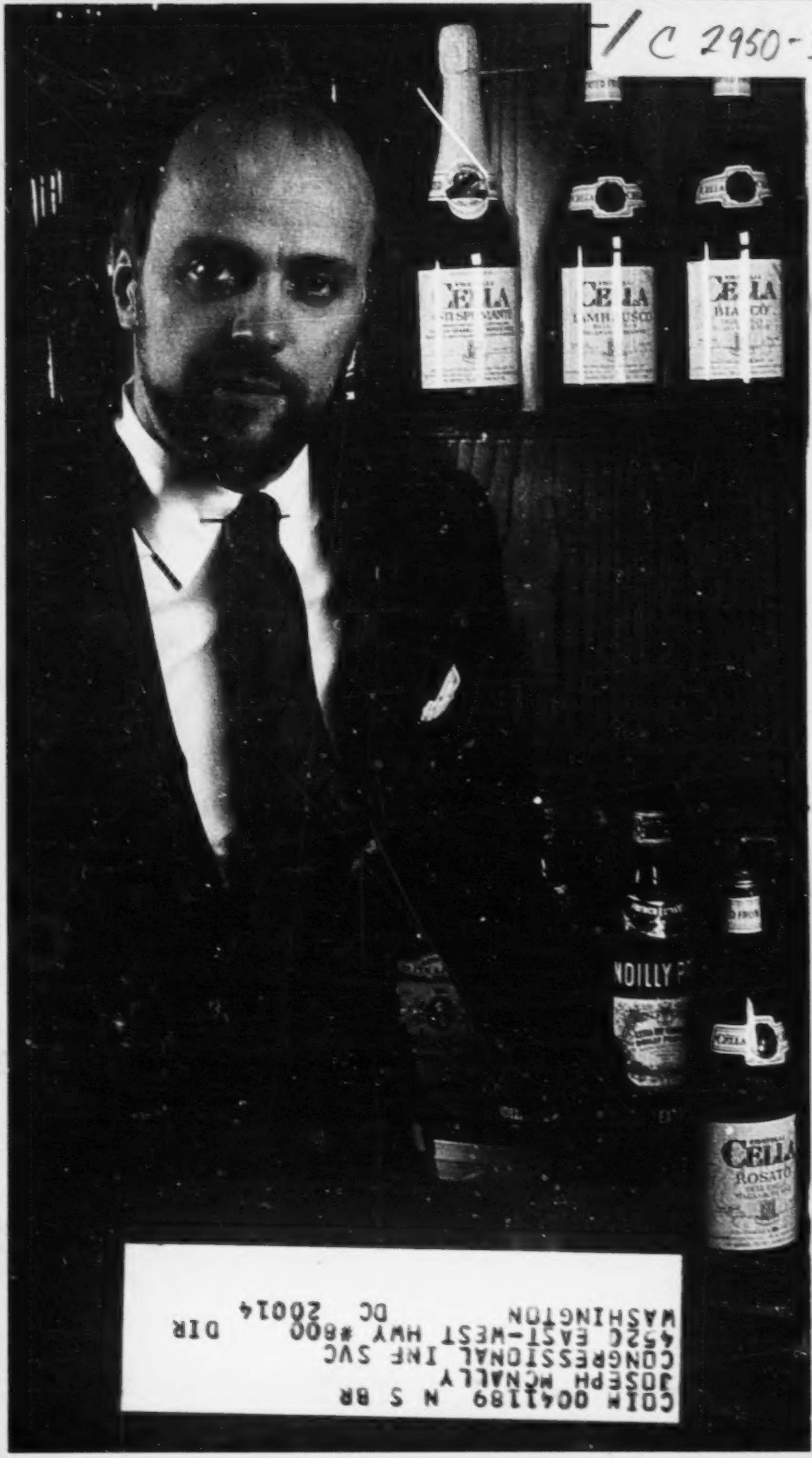

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MARKETING & MEDIA
Decisions

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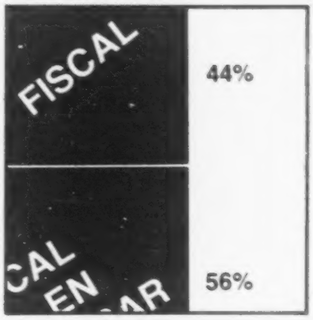

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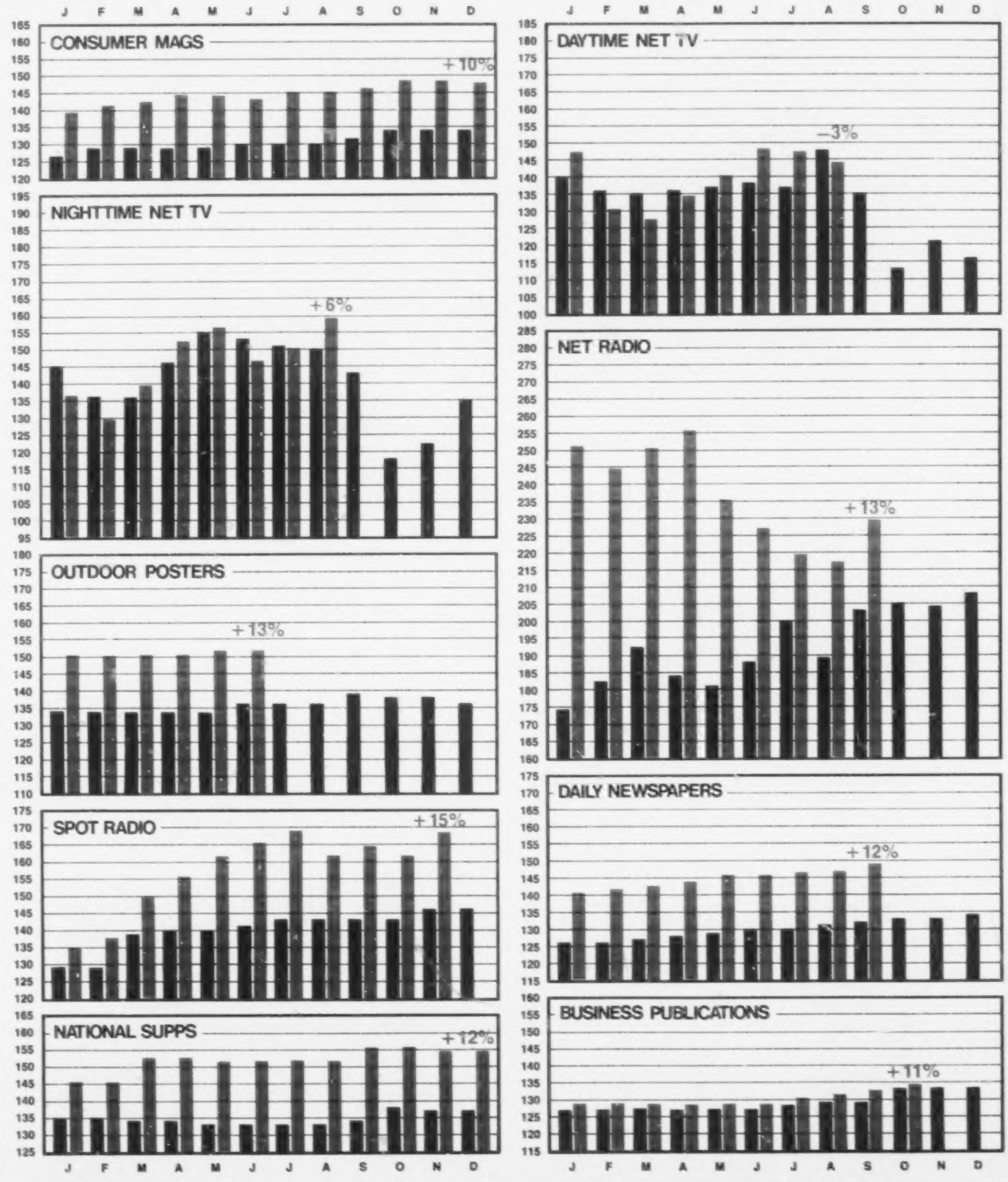
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page.

COST TRENDS
a Decisions analysis

Business press costs, tracked through November in the chart on the page opposite, had been running about 10% ahead of 1980 until November — when they moved up to 11% more than November 1980.

A rash of rate increases is expected at year end and then a general leveling off at a higher figure. Our forecast for calendar year 1982 (published in August 1981) is a 9.2% unit cost rise.

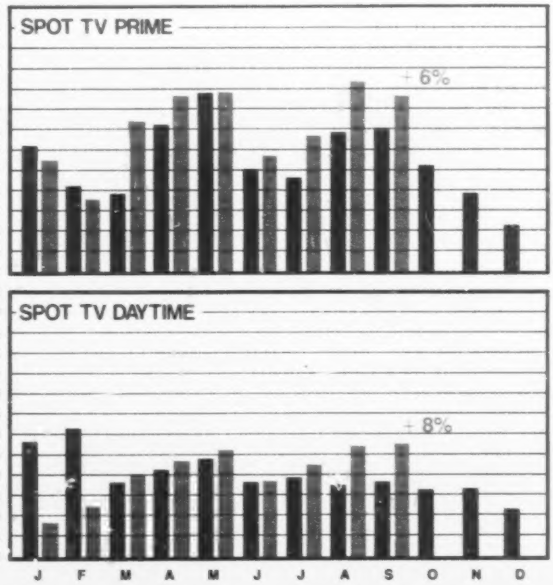
To find out what's behind increasing rates in business publications, we called on Tom King, new president of American Business Press, and Bill O'Donnell, the executive vice president. They produced two confidential cost reports for 1979 and 1981.

What we find is the printing, binding, composition and paper per MCP (thousand copy pages) has gone up 26.5% between 1979 and 1981. Postage and wrapping costs have gone up 17.1% per MCP. Advertising and selling cost per ad page has risen 17.7%. Editorial page cost is up 7.8%.

Considering that the rate of inflation is still pushing 11%, it seems miraculous that the business publishers have been able to keep costs down.

Radio is the most bullish medium in 1981 as we get down to year end in tracking media costs. Spot radio was plus 15% over the year previous in November 1981. Network radio was plus 13% in September 1981 compared to September 1980.

In the case of network radio, this represents not only a greater price rise in the most recent year than the increases for other major national media but also in comparison to the base year 1977. In September 1981, network radio hit index 229 (129% above 1977), considerably more advanced in unit cost than the others. Index for spot radio in November 1981 was 168, somewhat above the other indices.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

Of The Top 25 U.S. Markets Tampa Bay* Is The Fastest Growing Major Metro Market In The Southeast!

… growing faster than Miami and Atlanta. Believe it! There is more than $2.5 billion in commercial construction now under way in the City of Tampa alone. The dynamic Tampa Bay* market is comprised of Hillsborough, Pasco and Pinellas Counties. Be sure your print schedules include these powerful newspapers.

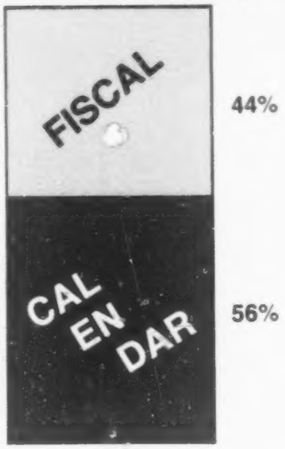
THE TAMPA TRIBUNE
Morning and Sunday
The Tampa Times
Evening and Sunday

The Quality Bay

Media General Newspapers
Represented by Sawyer-Ferguson-Walker
Contact: Byron Taggart, Advertising Manager
P. O. Box 191, Tampa, Florida 33601
(813)272-7447
Source: S&MM Survey of Buying Power 1981

MARKETING & MEDIA Decisions
January 1982 / Volume 17, No. 1

Budget for fiscal vs. calendar year



Source: Decisions survey among Top 200 Advertised Brands

THE AD BUDGET:

Top 200 Brands use all months to decide

Decisions' survey among Top 200 Advertised Brands shows year-round activity of media budgeters. It takes four to eight months to move budgets through six major steps. Budgeting is normally a team project with both company and agency media specialists involved right from the start to finish.

Budgeting, the favorite indoor sport of all advertising people, is the main event for some in every month of the year.

We suspected as much, but now have the survey results to prove it.

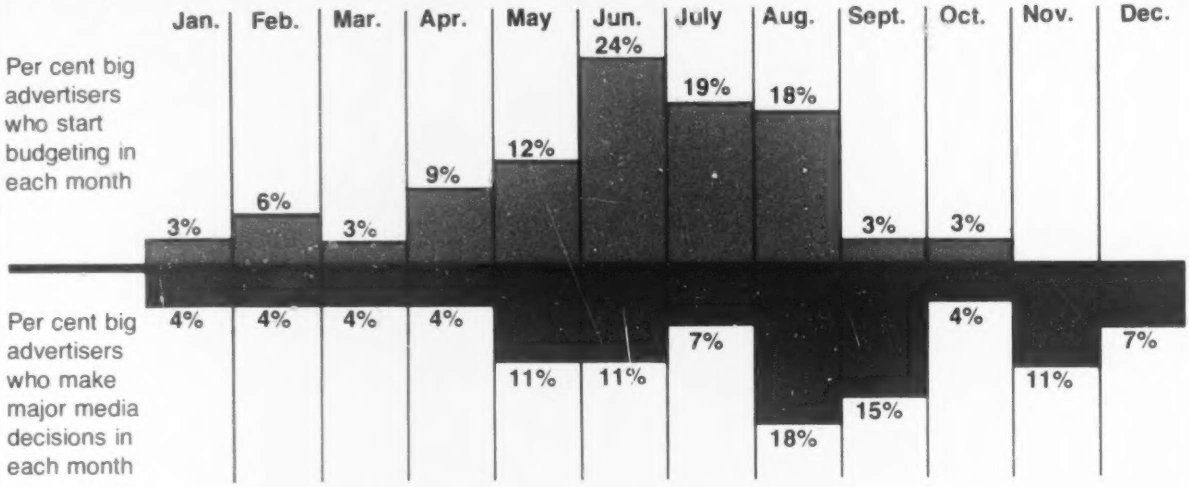
We asked the key marketing/media mogul in Top 200 Brand companies to report on the timing of key budgeting functions in each month of the year. The results are shown in the charts on the following pages.

To make the Top 200 Brand list an advertiser has to invest $13 million or more in a brand as we define it, so this represents the practice of the big spenders who account for about half of all national media dollars.

The conclusions:

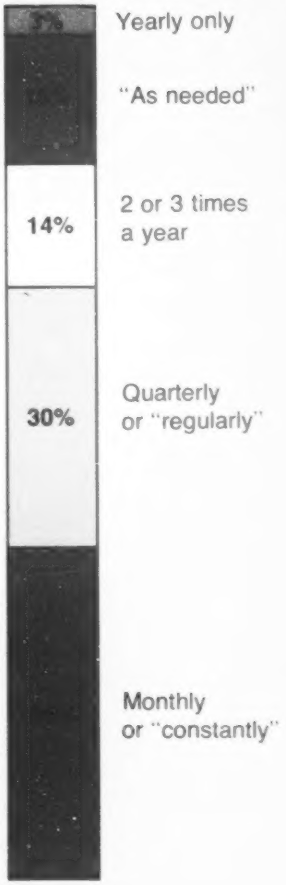
- **Budgeting goes on all year.** At least 7% of all brand marketing teams either start the budgeting activity or make major media decisions in each of the 12 months.

Budgeting calendar: activity is year-round



Source: Decisions survey among Top 200 Advertised Brands

How often are budgets reviewed



Source: Decisions survey among Top 200 Advertised Brands

- **Start-up time** for budgeting is most often June, July or August.
- **Over 11% of major media decisions** are made in each of the months of May, June, August, September and November.
- **Calendar year budgeting** is favored by a little over half of the big brands (56%), but 44% are budgeted on a fiscal year basis.
- **Budget reviews** during the year are made quarterly or more often by two-thirds of the big brand advertisers. Only three percent say they do not review the budget during the year.
- **Four months are needed** to move the budget through its various stages by 87% of the brand groups — from start-up to presentation to top management. But in most cases the ads don't run until five to eight months after the start-up for budgeting. A small amount of the additional time is devoted to revisions, but most of the incremental time goes into execution — creative and media negotion/ordering.
- **The agency gets into the picture** right from the start in over 60% of the budget calendars reported. The media specialist is involved in over 60% of the cases during the first month.
- **The media recommendations** have been made by the end of the second month in half the companies, by the end of third month in 89% of them.
- **Marketing managment is hit with the media plan** in the first month in 19% of the cases, in the second month in 19%, in the third month in 39%, in the fourth month in 20% of the cases.
- **Marketing management is hit with the total budget** at the same time it gets the media plan in two-thirds of the big-brand companies. In about one out of four companies, the total dollar figure is set *before* the budget and media plan are presented to marketing management in detail. Seven per cent of the time the total dollars are established later.
- **Top management** (sometimes the same group as marketing management) gets the budget at the same time as the marketing chiefs in 23% of the companies. In 60% of the cases, top management gets its presentation of

When key budgeting activities are phased-in

(cumulative per cent of cases from start-up)

	Agency gets into picture	Media specialist involved	Media recommendations	Media plan to marketing management	Total budget to marketing management	Total budget to top management
At start-up	63%	58%				
First month	87%	77%	21%	19%	27%	3%
Second month	97%	97%	50%	38%	57%	35%
Third month	100%	100%	89%	77%	87%	58%
Fourth month			100%	97%	94%	87%
Fifth month				100%	97%	94%
Sixth month					100%	97%
Seventh month						100%

(color boxes indicate 60% or more)

Source: Decisions survey among Top 200 Advertised Brands

the budget a month to three months after marketing management.

In most cases budget planning is not a quick process. The big spenders take it seriously. And five to eight months may be devoted to it.

Budgeting activity goes on all year because different advertisers get started on it at various times of year. The activity does tend to bunch-up in the middle months of the calendar year, with fewer start-ups in the fall and winter.

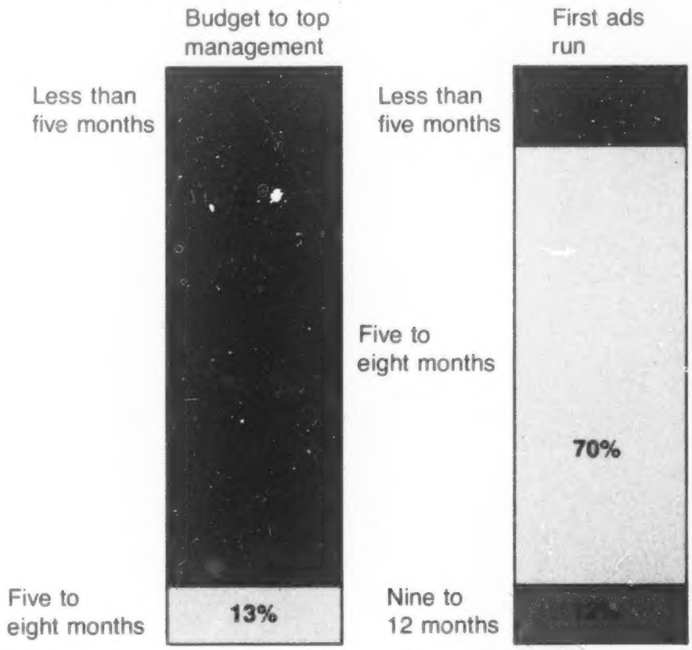
The agency gets into the act early — as soon as planning begins or shortly thereafter in most cases. The media specialist is also an early participant; more than half the respondents say media is involved right from the start. The balance say media specialists get involved from one month to three months later.

Media recommendations, however, are quickly assembled; 59% are ready within a two to three month period after budgeting gets under way. And the media plans are ready for presentations to marketing management almost as quickly.

Continued on page 136

Most budgets hit top management in 5 months . . .
. . . but most don't run for another 3 months

(time lapse from budget start-up)



Source: Decisions survey among Top 200 Advertised Brands.

BUDGETING (from 55)

One interesting difference in practice: the matter of coordination of total budget dollars with media plans. In quite a few companies (26%), the dollars available for media are set before the media budget recommendations are presented to marketing management for approval at that level.

But in 74% of the companies, the team that develops the budget recommends the total figure to be spent at the same time they present the plan to marketing management. Obviously, they will bear in mind what may or may not be a feasible expenditure for media in the year ahead.

There is also quite a difference among large advertisers as to how long they delay the presentation of the budget to top management after marketing managment has seen it. In 77% of the companies there is a delay — only one week in 7% of the companies, but from two weeks to three months in the others.

The budget is not sacrosanct. Flexibility is built into the procedure in almost all the companies with the big budgets. Only 3% say they do not review their budgets during the year that they go into operation.

Who gets involved?

The budgeting survey also sheds new light on involvement in the budgeting operation.

The layers of approval are shown to be first at the top of the marketing management hierarchy, and then at the top management level. Our returns do not clearly show how often top marketing management and top company management are considered the same. But in a least 74% of the cases, clearance with top management for the media budget is considered a separate and important step in the series of budgeting activities.

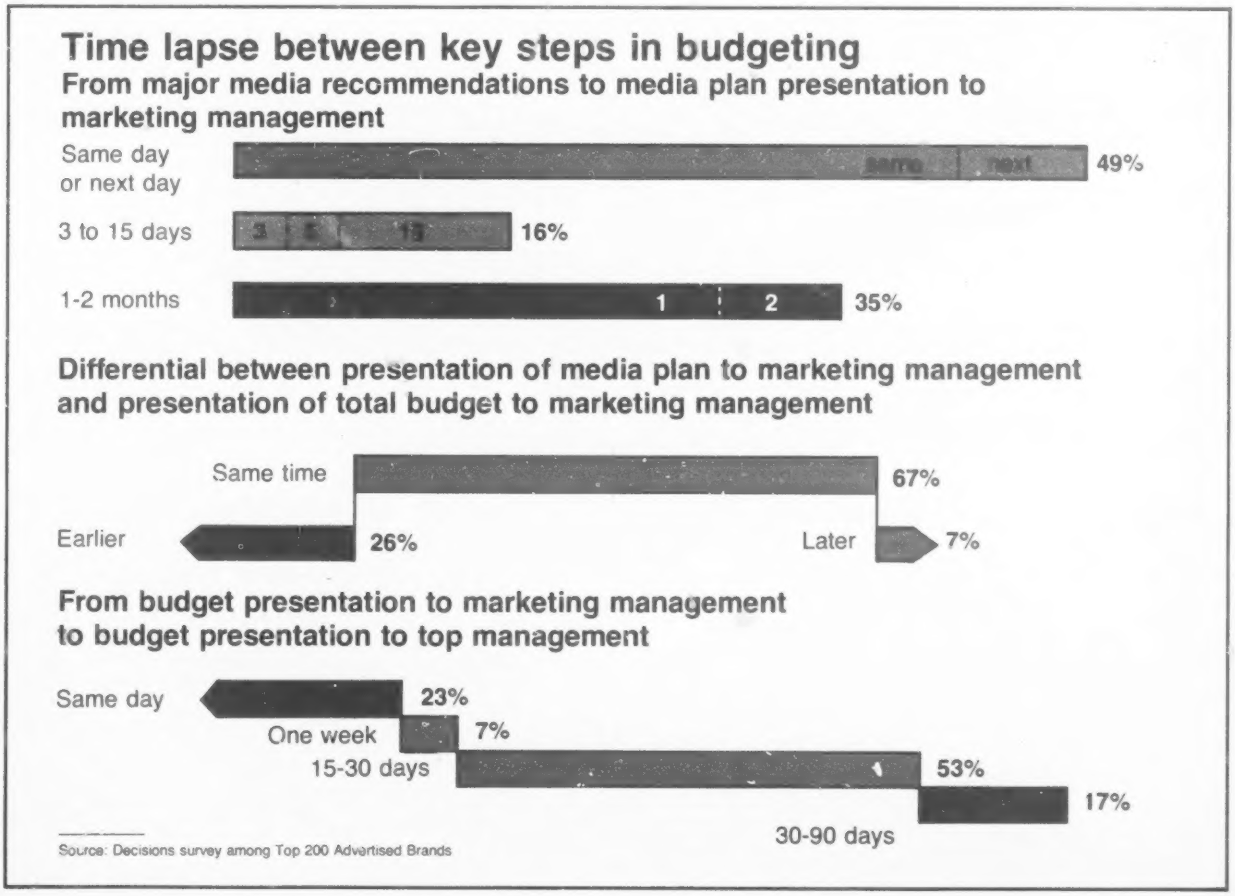
Considerable difference showed up in responsibility for development of the budget. Answers ran the gamut from a single person to a sizable group of executives from both the agency and the company marketing department.

In some cases, non-marketing titles were reported: division president, assistant to the president, treasurer, controller, general manager. Some representative of top management is often involved long before final approval for the budget is sought.

The sales function *per se* was conspicuous by its absence from the roster of budget builders. Sales vp's were mentioned only twice, plus a single entry under vp-sales/marketing.

Most frequent titles of those listed as responsible for budgeting were marketing director, marketing manager, advertising director, advertising manager. Next in line came the product/brand managers. These included a sprinkling of group or senior product managers.

In all companies, just one person is labeled as responsible for budget crea-



Time lapse between key steps in budgeting

From major media recommendations to media plan presentation to marketing management

Differential between presentation of media plan to marketing management and presentation of total budget to marketing management

From budget presentation to marketing management to budget presentation to top management

Source: Decisions survey among Top 200 Advertised Brands tion. In these companies this is either the advertising manager or the product/brand manager. In one company it's the manager of media services. Company media specialists were named as responsible for budget development in only four cases. But it was made clear that budget planning is a team project, with both company and agency media specialists involved all along the line as the budget moves through different phases of development and levels of approval.

Januaryitis

Media often complain about Januaryitis — low expenditures in January because of procrastination in budget setting, and then executing ads for the next calendar year. As indicated by our survey, this can be the case in only 56% of the advertisers with big budgets. The rest budget on a fiscal year basis.

However, there is a considerable lapse of time between the final budget okay by top management and the time the first ads run. At 70% of the companies, five to eight months elapse between that okay and the time first ads appear.

In a company that has a problem with Januaryitis, the cure — as pointed out by one of the respondents — would be to start the budgeting sequence earlier, then allow five to eight months after top management approval before the ads are supposed to reach January viewers, readers and listeners.

Oddities

Some oddities turned up that may suggest new trends in the business.

For example, in two companies (both very large advertisers) the agencies don't get involved at all in working up the budget. Budgeting is considered an inside job, start to finish, in these firms. After the budget is complete, the agency learns how much it has to spend — and pretty much where it will be spent. This is not the usual practice, as already pointed out, although several companies say from one to three months of planning takes place before the agency is brought in.

There are also some companies that do not have an established time table for budgeting. One comment was that media choices are "already established." Another said that their use of media is "on-going."

Pat Kelly

NEXT ISSUE

Florida's West Coast

The State of Florida is a growth market practically from one end to the other. But this growth is centered in three major market complexes: South Florida (Miami, Palm Beach, Ft. Lauderdale, Hollywood, Boca Raton, etc.); West Coast (the Tampa Bay Cities of Tampa, St. Petersburg, Bradenton, with Sarasota just south of the Bay); and in the center of the state Orlando (with Disney World next door and the new permanent world's fair due to open this fall). In August our growth market report was on South Florida. Next month we'll be covering the growth around Tampa Bay. In October we'll bring you an update and look-ahead at Orlando.

Between the 1970 and 1980 Censuses, the SMSA of Miami grew in population by 28%; Tampa-St. Petersburg was up 44%; and Orlando was up 55%. The report next month will explain what's behind the Tampa-St. Petersburg bonanza.

Brand Report No. 73 in February will be concerned with the over $244 million invested by national advertisers in major media on behalf of cosmetics (i.e. creams and lotions, lip and eye beauty products, facial make-up products, manicure preparations and implements, toilet water).

In these brand reports we highlight the marketing trends and zero-in on the specifics of media use by leading brands. Highrollers in the cosmetics category include; Jergens, Nivea, Ponds, Vaseline, Mennen, Noxell, Wondra (P&G), Oil of Olay, Coppertone, Maybelline, Vidal Sassoon, Avon, L'Erin, Max Factor, Revlon, Lip Quencher, Cover Girl and a host of others. They are big in tv, but it's interesting to note that eight of them put over a million dollars each into magazines. We'll take a closer look at the contrasting media strategies in the brand report next month.

Guest Editor Larry Lamattina

Larry Lamattina is executive vp-director of media programing, SSC&B. Like Hal Miller, who he succeeded at SSC&B after Hal retired, Larry was previously the top media decision maker at Grey.

Lamattina's most recent contribution to *Decisions* was the 1990 Media Plan that he, Mike Moore and Joe Ostrow put together in October.

Garneau's magic for brand building

Guest Editor Hank Wasiak, president of Brown-Forman's Joseph Garneau subsidiary, explains how a long-term brand building strategy transformed unknown Italian wines into top imports Cella and Bolla. Appropriate pricing and ample profit margins are keys to financing substantial media campaigns.

"We believe that consumers buy brands, not companies or categories."

That is the primary philosophy of the Joseph Garneau Company, and its parent corporation, Brown-Forman, according to Garneau president Hank Wasiak, ex-agency exec. who moved to the client side some 18 months ago.

The Louisville, Kentucky company embodies that philosophy, letting its imported wine and spirits brands take the limelight, among them the Italian wines Bolla and Cella and Bushmill's Irish whiskey, Martell cognac, Noilly Pratt vermouth, Ambassador Scotch and Veuve Clicquot champagnes. Few consumers know that Garneau is the importer, and that's all to the good, in Wasiak's view.

Rather, the main concern for Garneau — and Wasiak — is the building of brands. They aren't interested in overnight fads or discount look-alikes. Instead they seek premium brands in the upper price range of their categories that can build long-term consumer franchises.

And Wasiak, like some others in the packaged goods business, believes that brand building is all the more important in an economic downturn, when retailers are tempted to erode brand franchises to retain volume and hold price-conscious shoppers.

But brand building is no simple or quickly achieved goal, Wasiak warns, especially in a historically volume-oriented industry that is known for "moving cases." It requires long term planning, consistency, and dedication. The ultimate payoff is profit rather than volume, and a good measure of awareness and franchise security in the market place.

His best examples are Cella and Bolla, which hold second and fourth place among imported wines in the U.S. That gives Garneau the distinction of being the only wine marketer with two brands of imported wine within the top 10 imported wines. Advertising and media have played a strong role in achieving that measure of success.

Brand building, Wasiak contends, begins with the attitude and philosophy of a company's top management. "One of the first things a company must do is take stock of its strengths and weaknesses and resources, and determine what its objectives are.

"From that, you define what kind of company you are, want to be and what your resources are. Once you have that definition, company and brand objectives can be set and a management style and attitude towards brand building takes shape."

Wasiak says the B-F philosophy, which applies to all its divisions, is "to build brands by establishing quality products which can command a premium price and effectively compete in the upper ranges in their segments. By putting them there, they return margins that allow us to invest very heavily in consumer-focused marketing, advertising and promotion programs. The result is that we build brands with strong consumer franchises that can legitimately justify premium prices and that will have very long life cycles."

In order to do that, Wasiak acknowledges that, first and foremost, a quality product must be in the package. Garneau shoots for the highest quality product in its product segment, he says.

"Now Garneau, being an importer, doesn't always have direct manufacturing control. We do on the labels that we own, such as Cella, and we can make sure that we market the highest quality product. In areas where we are agents or partners for imported products, we make very sure that we do business with the highest quality suppliers of the kind in their industry. For example, Bushmill's is the premium Irish whiskey, and Martell is recognized as the finest cognac made, and is the number one cognac in France and worldwide.

"This sets the price and positioning directions for the brands. That's not to say we won't compete in segments that are in the middle of the price spectrum, but even within that, we'll go to the upper end within that price range with a product that can justify a higher price. But I doubt you'll ever see a

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In charge of financial affairs at Garneau are Phil Anderson, vp – director of administration, and John Andriott (left), manager of financial administration for the Louisville-based importer.

Sales planning is the concern of Joe Herpin, senior vp, executive director of sales, and Fred Hamilton, vp – national sales manager at Garneau Co., Brown-Forman subsidiary.

Garneau product competing in the low or commodity end of the business. It's just the kind of marketing we know how to do best, or — for that matter — care to do.''

After those choices have been made, Garneau gets down to the basics of marketing in a way that builds consumer brand franchises.

''First comes quality marketing and advertising,'' Wasiak advises. ''By that we mean defining exactly what the brand is. To do that we break the brand concept into two pieces. The first is consumer segmentation. We carefully identify target audiences and define our usage and image profiles. The second is competitive segmentation How do your brands stack up against competition, and how will we be perceived versus competitive brands. The marriage of the two yields a brand positioning relevant to the marketplace.''

Just how would Garneau go about placing a new product? ''We start by determining those sements of the market in which we could compete, where we could establish a strong brand franchise through advertising and marketing and still get the proper returns. We believe in building brands by finding niches in as many category segments as possible, rather than attacking the category as a whole. Usually this leads us to medium and above market segments of various categories. Sometimes, even if it can be financially viable to market to lower priced segments, we might not opt to pursue it, because it's not our style of marketing.''

That philosophy was applied to the introductions of Cella and Bolla, which Garneau undertook well before the boom in Italian, and lighter, less alcoholic wines. Cella is a label owned by Garneau, which contracts for the wine to be bottled under the brand name. Bolla is owned primarily by the Bolla family, although Brown-Forman enjoys a substantial interest.

Garneau introducted both wines with strong per-case allocations for advertising. ''Bolla was one of the early wine brands on television. When you look at our advertising expenditures within the $150 million in wine media, Bolla and Cella were among the top seven absolute spenders in calendar year 1980. On a per case basis, we have two of the top four wine brands in spending. That has resulted in a very strong consumer franchise, each within its own price segment and product class.'' (See Cella and Bolla media figures.)

''When brands compete in some of the upper price segments, as ours do, you can generate the margins to fund further investments in advertising, while building a good premium image and brand franchises. Then, if it's necessary to take price increases when costs go up, rather than cut the quality of the product, you can maintain the quality of the product and raise the price in a way that still gives the consumer a good price-to-value relationship.''

Sales and expenditures of selected wine brands

Brand	Ad dollar per case	Rank	Total ad dollars	Rank
Bolla	$3.13	1	$ 4,700,000	6
Calif. Cellars	2.06	2	7,200,000	4
Paul Masson	1.91	3	12,200,000	2
Cella	1.83	4	4,500,000	7
Mateus	1.58	5	1,900,000	10
Blue Nun	1.54	6	2,000,000	9
Lancers	1.37	7	1,100,000	12
Riunite	1.03	8	9,400,000	3
Giaccobazzi	.66	9	1,600,000	11
Inglenook	.65	10	4,500,000	8
Gallo	.56	11	21,800,000	1
Almaden	.48	12	6,000,000	5
Folonari	.21	13	300,000	13

Sources: IMPACT newsletter and LNA, BAR.
All size cases.

''Bolla,'' Wasiak said, ''is a fine-tasting Italian wine that comes in red and white varieties, each at premium but not super-premium prices. We didn't confuse the consumer with too many types or unfamiliar statements about such things as locale of origin. Instead, the labelling and look of the product was simple and classy and told the consumer they were getting a good quality, versatile wine. While this seems obvious now, we made this move on Bolla at a time when there was a great deal of confusion about wine.

''What we did was simplify wine for the consumer, gave them a consistent quality product that they liked, and made sure we always told them the truth— we assured them that there is a family in Italy that's been making these products for about 100 years, that a lot of care goes into it; that its a name they can trust.

''That basic position hasn't changed for the past seven or eight years. As we built that high quality image, we recently introduced another white wine called Bolla Trebbiano. And here's another aspect of brand building: *your point of view, like product quality, must be consistent in the marketplace.*

''The wine category has changed very much in the past four years, particularly in price, color and size mix. While Bolla may adapt its marketing strategy somewhat to reflect these changes, marketing thrust would always be built around mainstream, consistent quality products. We have kept our brand consistently in front of the consumer with the same basic message. As a result, it has flourished despite many competitive threats and we will always aggressively market and defend the Bolla brand."

Says Wasiak, "Marketing and advertising communications are the important magic elements that help support the prices of our brands." As a consequence, "We place a great deal of emphasis on our advertising agencies," he says.

And behind that equation is the reason for Garneau's decision to move to two large agencies, Ted Bates Advertising and Benton & Bowles. The selection was made last July and both agencies took over as of November 1, last year.

"We make them part of the brand building process and share all but the

Wasiak's 15 principles for brand builders

"After the issues on company objectives, philosophy and operating criteria have been established, there are 15 major checkpoints which can be used to effectively build brands," says Henry Wasiak of the Garneau Division of Brown-Forman:

1. Find the right positioning. Clearly define the product's position in the marketplace relative to both the consumer and competition. Exactly what will it stand for in the minds of consumers and at all levels of trade channels? This is the guts of brand building. Make sure that the product can deliver the benefits promised.

2. Isolate dominant forces of influence. Clearly define and understand the major driving forces that will help build the brand in the brand's chosen market segments. Don't address everything.

Pick the three or four key elements which must receive the most weight in the brand's marketing plan and focus effort and attention on those elements. For example, in the alcoholic beverage market, the four major driving forces in brand building are quality, image, pricing and distribution. This is where Garneau places its emphasis.

3. Think long-term. Map out long-term brand plans and have a clear game plan for product line, volume, market share and profit return on investment.

4. Segment as much as possible. Break a market down into as many segments as possible. Determine brand volume and potential franchises within these segments first. Use the sum of these segments to determine the entire brand franchise.

5. Employ investment leadership. Have a marketing investment substantially lead share of market and volume increases in the early years of brand building. Do not pull back on these investments until an important and substantial position is established.

6. Focus on the correct business goals. The ultimate goal of brand building is to generate profits, the proper returns and franchises that will endure. It is important for a brand to set the proper goals based on the realities of the marketplace.

Generally in growth categories or segments, it is best to focus on building market share first. If share gains are achieved, then volume increases will generally be satisfactory.

7. Aggressively test. Continually test the upper limits of marketing spending to determine how high is up. The ultimate level of support must be based on pay-out criteria, but peak share and volume levels should be explored.

8. Be vigilant. Constantly monitor the marketplace for consumer attitudes, competitive developments and technological advances. However, don't rush in to chase every new development.

9. Be prepared to defend. Once a brand position is laid out, never yield it unless dramatic changes occur in the marketplace. Be prepared to defend this position in terms of product, support levels and creative platform at all reasonable costs.

10. Challenge with alternatives. Constantly challenge brand marketing strategies, develop alternate copy strategies and attempt to have one or two in the marketplace at all times. Don't rest on only one way to do it.

11. Proliferate the positioning. Maximize the potential of brand positioning through all types of consumer communications. Do not let it rest with advertising. Carry it forward into promotions, merchandising, trade campaigns and consumer public relations.

12. Make brand building a team effort. Make sure that the brand positioning and the concept of brand building is clearly conveyed to all levels of the marketing organization. Brand positions and strategies must be communicated, respected and understood at the planning and executional levels.

13. Pay extra attention to sales execution. Brand and marketing management, with input from sales and the marketplace data, are the architects and builders of brand positions and the sales force executes these plans.

Many times the sales force is the last contact with the product before the retail channel takes hold. They must make sure this positioning holds together at the point of purchase.

14. Monitor effectiveness. Have mechanisms to monitor the progress of brand building.

Sales are not enough. Consumer attitude and awareness measurements for your product or service, as well as for competitors, are essential. Benchmarks and goals must be set up to evaluate performance over the long-term.

15. Recognize that people build brands. Marketing plans, corporate leverage, brand management, sales forces, advertising agencies and many other organizations make up the brand building structure. However, individual professional managers and marketers make it happen within these units. Be careful to choose quality people who understand and respect the principles of brand building.

most private financial data with them. We look primarily for their marketing, creative and advertising expertise; not necessarily their industry expertise.

"Of course, we like our agencies to have to some knowledge, respect and understanding of the industry, but that wasn't the highest criterion; first and foremost they must be marketing and advertising professionals. We feel we can bring our agencies up to speed on the industry quickly enough. Package goods experience with a sensitivity to image and premium priced brand building were the key criteria."

> "We don't tie an agency to a score or awareness point: we also evaluate qualitative things."

But Wasiak also emphasizes that when the choice was made, there was no urgent need for overnight advertising campaigns. "When they were brought in, in no instance was one of their charges to come up with an 'instant' campaign. They weren't brought in with any sense of urgency to solve an advertising crisis.

"And that, again, is because of our brand building strategy and long term view. Brands grow by evolution, not revolution, and we take that point of view with our advertising. We set long term strategies. We may execute differently or change positions down the road with those agencies, but there's no demand to get a new campaign on the road in four weeks."

Primary criterion in agency selection, Wasiak says, was to have agencies with "managements that understand and can work with companies that emphasize brand building. The creative product is just as much our responsibility as the agency's. The client can do an awful lot to motivate and enhance the creative product.

"We don't only tie an agency to a number or a score or an awareness point; we also evaluate qualitative things such as sensitivity to marketing planning, promotional recommendations, their thinking on campaign strategies as well as executional elements.

"Sometimes they are very tough criteria to pin down, but you get a better sense of that after you work together for a while. You know whether or not they're thinking along with you long term, or just looking for short term, high visibility oopportunities.

Bill Juckett is vice president at Jos. Garneau Co., and is brand director for Bolla wines.

With its new agencies, Garneau has opted for fee compensation. "We want our agencies to make a good profit on the best quality work possible. We had been on a commission basis before, but went to fees to help foster objectivity, profit and creativity.

Also, there are a number of operations involving outdoor and some magazine buying that we handle in-house, so we wanted to elimate any conflict of interest. We wouldn't want agencies to feel that if they're going to recommend a particular media package that there might be a commission problem.

"We're not wedded to the commission or fee as a company. Given our circumstances and the brands we're dealing with, it made more sense to go on a fee basis. We went on a fee basis not to save money but to get the best quality people in the business," Wasiak says.

Another important point in brand building that Wasiak stresses is long term planning. "We demand that each of our brands have five to seven year plans in place with very specific strategies. We monitor year-to-year performance very closely and make appropriate adjustments. But we won't sacrifice long-term objectives and performance for the sake of a short term problem. It's taken a lot of companies a long time to get to that point of view, but it's been in place for quite some time at Brown-Forman. If the long-term prospect is right, it's usually worth tucking in your belt a little bit for the short term."

Wasiak also sees appropriate selection of management personnel as another key element in brand building. "If you don't have managers who are sensitive to long term growth and are overly concerned about short term performance, you won't get the long term look at things you need.

"This means we seek quality people — confident people — at Garneau, as well as people with the long-term view. And we get them, as does the entire corporation, by offering challenge, opportunity and reward along with stability and support."

"We operate on the brand manager system and place great responsibility on our brand managers. Also important is the performance of sales management people. They execute brand plans and if they aren't attuned to what it is we want to do in the longer term, then the execution fails and could disrupt the brand," Wasiak said.

But with all its brand building strategies, there is the matter of what happens in the marketplace. As states such as New York and New Jersey have decontrolled spirits prices, discounting and price wars are common.

Comments Wasiak: "Our point of view is that there is no way we can control what a retailer or wholesaler does. Legally, we can't and wouldn't want to. We believe the ultimate arbiter of that is the consumer.

"If we keep talking to the consumer about our products, building knowledge and confidence, we'll get the return call time after time, and ultimately make the profit we need on our brands.

"It's up to the retail channels to do business that way. When the wraps are taken off a business, free enterprise takes over. All the more reason to build brands and trade franchises. Then the brand has that much more leverage over the retail trade. They must treat your brand right or consumers will rebel against them." ■

Their golf game is head-on-head advertising

Golf ball leaders are holding their share of market by claiming superiority for their new products. But they're not expanding their market. Here's how they play the game.

Spalding and Acushnet golf balls dominate in their field, but they've got a problem.

Unit sales are creeping up at a snail's pace — 3% a year.

Their current strategy is head-on-head advertising. They're making money and holding their shares in this stalemate. But they'd like to find a way to expand the golf market.

Golf ball volume is a multiple of number of golfers and rounds of golf played. There are about 14.4 million golfers (those who golf at least once a season). But only about 8.5 million are frequent or moderately frequent golfers. The companies need to increase frequency, but aren't really aiming their advertising at that objective.

The golf market "has been essentially flat for the past seven years if you look at the number of participants," says Ralph Carlson, Spalding vp of worldwide marketing. "Golf ball sales respond to rounds played rather than players."

Without an expanding market, golf ball manufacturers like Spalding must look for growth at the expense of other competitors. The total golf equipment market is estimated to be $230 million. Chasing after essentially the same golfers, using the same limited media, the golf ball manufacturers find themselves locked in a very close competitive battle, with success turning on the smallest perceived advantages.

"The main battles have been focused at the top of the golf ball line," Carlson points out, "featuring the tournament quality conventional golf ball and the innovative durable long distance golf ball."

Acushnet's Titleist is generally conceded to be the market leader among the top-of-the-line conventional golf balls, while Spalding's Top Flite has seized the leading position in the durable ball segment and has wrestled its distance claim to the top of consumer perception. Carlson doesn't like to say he isn't the market leader and prefers to talk of the total golf ball market rather than the top of the line products. "Spalding and Acushnet are very close in the total number of golf balls sold," he claims.

like radio station reps explaining the most recent ratings and showing how their station is number one in some category, the golf ball marketers make precise claims to a variety of numbers on distance. "Spalding has always been the longest ball in golf when you total the drive and five-iron shot," says John Fitzgerald, vp at Hill, Holiday, Connors, Cosmopolos (HHCC), Spalding's advertising agency.

Titleist claims to be the longest ball off the tee (counting the drive alone), counters Terrence K. O'Leary, vp at Humphrey Browning MacDougall (HBM), the Acushnet advertising agency. Besides longest ball, there is another spate of precise claims being made concerning use of particular golf balls on the pro tour and money won on the tour by different balls.

While all the manufacturers may cling to subtlety and precision claims, Spalding is frank in its assessment of its overall position in the market. The company is fighting back toward the top after falling far down in the pack.

Spalding has been in the golf business for many years, but market share eroded greatly during the 1960's. By 1969, Spalding's share of the market was "very, very low, maybe a handful of points," concedes Carlson, who joined the firm in 1973 from SSC&B.

To become a factor again in the market, Spalding turned to research and development for a new golf ball. After several test products and trial periods, Spalding was ready to introduce the Topflite, a long distance ball that was resistant to cutting and cracking. By 1975, Topflite was propelled into national golf prominence with the Topflite Challenge campaign.

That action generated much competitive reaction. Other manufacturers rushed to find areas of product superiority, says Carlson, resulting in the many precise performance claims still being made today. The Spalding claim of the longest ball is based on what the company believes is the frequent recreational golfer's most prefered yardstick, tee to green.

The Spalding Topflite was advertised, supporting the distance claim, first by Wilson Haight and Welch (Hartford) and then by HHCC for the past two years. The advertising strategy "has been directed from here," notes Carlson at Spalding's western Massachusetts headquarters, and has helped return Spalding to a position as a major golf ball challenger.

Fitzgerald believes that consistency pays off. "Many advertisers prematurely walk away from an initial marketing position." Position changes every few years, he continues, often will only confuse consumers. Topflite, since its inception, has clung to its distance and durability claims, which is only now being publicly challenged in competitive advertising.

The challenger is Acushnet's new Pinnacle golf ball, a solid core, cut resistant, long distance golf ball in the same category as the Topflite and Topflite XL. While Acushnet's Titleist remains the undisputed leader in the conventional (wound core), professional calibre golf ball, the company has continually found itself responding to aggressive challenges from Spalding.

Both Topflite and Titleist golf balls are sold primarily through golfing pro shops, on-course and now increasingly off-course, as well as at some recognized driving ranges. The balls are sold directly by the manufacturers' sales forces. There are about 7,000 operating on-course pro shops with about 1,500 recognized off-course shops. The golf balls are increasingly seen in more general retail outlets where dealer-grade imitations are commonly found.

Acushnet had to react to the Topflite. Despite an approximately 40% share of the market in the mid 1970's, the company saw that Spalding's efforts were creating a new market segment that would have to be addressed somehow. The result was the Titleist DT, a third major golf ball variety combining the durable cover with the conventional wound core. "Spalding did a very good job establishing the durable segment," notes O'Leary.

Acushnet was careful, however, to skirt Spalding's "won't cut" claim with their own "cut resistant" position. HBM promoted the new Acushnet product as a ball which would play like the Titleist but be cut resistant.

There is a difference in the way the two types of golf balls play, explains Carlson. Professionals do not gener-

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ally like the way that the solid core Topflite (and other brands similarly constructed) plays. Recreational golfers are less sensitive to the feel of the ball and will respond to distance claims and the no-cutting characteristics. Consumers responded enthusiastically to the introduction of the Spalding Topflite, desite resistance from the pros.

The industry leader also had to respond to Spalding's distance claims. "Spalding forced a redefinition of distance in the consumer's mind" with its tee to green approach, adds O'Leary. Neither the Titleist nor the Titleist DT could directly challenge the Spalding Topflite in durability or distance, the qualities which were leading Spalding's charge back into contention as a golf ball industry power. A new product was needed. Advertising alone wouldn't do the trick.

While advertising was very effective in changing the public's perception of distance to favor Spalding, the major golf ball manufacturers had very similar advertising. Both Spalding and Acushnet rely heavily on network coverage of pro golf tournaments, consumer golf magazines and *Sports Illustrated*.

For the past five years Spalding has relied almost exclusively on network tournament coverage, spot tv for coverage of tournaments not part of the network schedule and the golf magazines. The golf magazines deliver the hard core golfer while the golf tournament tv coverage delivers a broader golf audience, explains Fitzgerald.

That is the traditional media approach, notes Carlson. Narrow but efficient, the approach continues to work. The company constantly monitors golfer media habits, but other media vehicles tend to be very expensive per golfer. Spalding has explored radio and newspapers, particularly *The Wall Street Journal*, and has been a leader in using cable tv for its soccer ball advertising, but not for golf.

The print ads tend to be four-color, full or two-page spreads. The tv spots are thirty seconds. Disdaining golf celebrities because the category is already celebrity intensive, and lacking a high level of acceptance of the Topflite on the professional tour, the agency used St. Andrews golf course in Scotland as the setting for the latest series of ads.

"St. Andrews is bigger than any celebrity," says Fitzgerald of the legendary course where golf was born. The St. Andrews concept also fits Spalding's new effort for the Topflite XL ball, with construction characteristics making the ball fly higher. The familiar Scottish lyric "You take the high road," is used.

To respond, Acushnet has introduced the Pinnacle, a solid core, no-cut golf ball that can meet Spalding's Topflite head-to-head. To support the new product, dramatic tv spots are being run, showing a gleaming guillotine slicing through the competing product, but not the Pinnacle.

Already caught up in increasing segmentation, the golf ball manufacturers are anticipating even more. ■

Media expenditures of three golf ball leaders

The three leaders in golf balls are Spalding (a Questor product), Acushnet (a division of American Brands) and Wilson (now part of Pepsico). Spalding and Acushnet dominate. All three are spending against the current golfers in golf magazines and network tv coverage of golf tournaments. Here are published figures 1977-1979.

	Total	Magazines	Network tv	Spot tv
1977				
Spalding	$1,845,000	$ 849,000	$ 990,000	$ 6,000
Acushnet	1,792,000	676,000	1,116,000	—
Wilson	966,000	166,000	800,000	—
Total	4,603,000	1,691,000	2,906,000	6,000
1978				
Spalding	2,052,000	874,000	1,065,000	113,000
Acushnet	1,524,000	313,000	1,211,000	—
Wilson	861,000	120,000	741,000	—
Total	4,437,000	1,307,000	3,017,000	113,000
1979				
Spalding	2,302,000	1,233,000	871,000	198,000
Acushnet	1,537,000	472,000	1,065,000	—
Wilson	1,108,000	258,000	850,000	—
Total	4,947,000	1,963,000	2,786,000	198,000
1980				
Spalding	2,288,000	1,057,000	1,221,000	10,000
Acushnet	2,223,000	793,000	1,339,000	82,000
Wilson	1,758,000	358,000	1,400,000	—
Total	6,269,000	2,208,000	3,960,000	92,000

Sources: LNA-BAR.

Spalding Golf Ball Media

Print
Golf Magazine
Golf Digest
Country Club Golfer
PGA Magazine
Golf Shop Operation
Various Golf Annuals/Directories
Tournament Program

Consumer Print
Sports Illustrated
In-Flight Magazines
Sport

Newspaper
The Wall Street Journal

Broadcast
Network/Spot Television
Golf Tournament Programing

SCHEDULING GUIDE TO AD READERSHIP STUDIES

The 1982 ad study list

Bruce S. Childers, senior vp-marketing services, Meldrum & Fewsmith, Cleveland, prepared this report on ad readership services of consumer, business and farm magazines in 1982. The report is sectionalized by health care books, Canadian publications, consumer magazines, farm publications, general business/management/news and, specialized business publications. Shown in each case are readership services offered and issues that will be researched. This list was originally scheduled for publication in the December and January issues but due to delays in processing at Decisions we are running the entire compilation through December 1 in this issue.

If preliminary indications hold true, 1982 will be another year when the number of publications offering ad readership studies will continue to increase. In 1980, 470 publications offered studies while 529 did so in 1981. As of the cut-off date for this article, 456 publications have confirmed their plans for studies in 1982.

While this number is lower than the final count for 1981, it is higher than the number of confirmations received at the same time last year. Therefore, we are predicting that the final number of publications offering ad readership studies in 1982 will show another increase.

For the users of ad readership studies, there is additional good news in the indication that the total number of studied issues available will also

NUMBER OF STUDIES

Publication class	1980 actual		1981 actual		1982 scheduled*	
	Publications	Number of studies	Publications	Number of studies	Publications	Number of studies
Consumer publications	59	332	65	336	51	258
General business, management and news publications	23	311	26	324	21	272
Specialized business publications	303	1,084	320	1,213	288	1,066
Health care publications	44	155	56	165	55	166
Farm publications	26	31	30	38	29	40
Canadian publications	15	26	32	60	19	42
TOTALS:	470	1,939	529	2,136	463	1,844
(Scheduled as of 12/1/80)			(447)	(1,821)		

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* As of 12/1/81.

increase proportionately with the number of publications offering studies. In 1980, the average studied publication had 4.13 studied issues while in 1981 there were 4.04 studied issues. All indications are that the number of studied issues per publication (on average) will remain the same for 1982.

The maintaining of the number of studied issues per publication is good news for the serious user of ad readership studies. In the not too distant past, there was considerable erosion in the number of studied issues offered. At the time, this caused us great concern — and still does.

This is because we believe that readership scores for individual ads should not be used for sharp comparisons but should be regarded as broad indicators subject to modification with the addition of more data. We further believe that it is only when the scores of several ads, or even those for a whole campaign, are compared that the readership figures become significant. So, when a publication offers only a few studied issues, it becomes difficult to build a sufficient track record to judge ad readership performance.

Overall, we would have to assume that the anticipated increase in planned readership studies for 1982 reflects a number of factors. One is that the trend shows that the publishing community has responded to the increased interest in ad readership studies that began several years ago. This interest, we believe, stems from an increased recognition by advertisers and many agencies of the need to measure advertising performance and a realization that the ad readership studies, when used properly, contribute to their performance evaluations.

On the other hand, the trend in the number of studied issues per publication probably reflects the cost pressures felt by publishers. Ad readership studies are not inexpensive and the bulk of the cost, even for the studies for which a fee is charged, is carried by the publication. Possibly it's time for the users of ad readership studies to let the publications know how much this valuable service is appreciated and needed.

The following listing is the preliminary schedule of the publications that will be offering ad readership studies for 1982. The schedule includes those listings that were confirmed by December 1, 1981 and shows the readership service and the issues planned for study. The preliminary listing is broken down into six categories: Health Care Publications; Canadian Publications; Consumer Magazines; Farm Publications; General Business-Management and News Publications; Specialized Business Publications.

The data we are reporting has been derived from direct contact with publications and from the excellent cooperation of the many services who conduct these studies. In the listings that follow, all services are identified by their common names.

1982 READERSHIP STUDY DATES

Health care publications (human and animal)

AANA Journal — Inter-Ad: April
AAR Times — Advantage: August
AORN Journal — Fosdick: January
American Druggist — Harvey: February, April, August, October
American Journal of Ophthalmology —Readex: January, April, August
Clinical Chemistry — Ballot: March, May
Clinical Chemistry News — Ballot: April, October
Consultant — Space: January, April, July, October
Contact Lens Forum — Signet: June, November
Contemporary OB/Gyn — ReADsponse: March, June, September, December
Dental Economics — Harvey: January, July, October
Dental Management — Readex: January, April, November
Dental Practice — Ad-Gage: March, June, November/December
Dental Student — Ad-Gage: September
Diagnosis — Adx *Ad Diagnosis: February, September
Diagnostic Medicine — MI/Q: May/June, November/December
Drug Topics — ReADsponse: March 15, June 21, September 20, November 22
DVM, the Newsmagazine of Veterinary Medicine — Advertising Performance Study: March
Eye Talk — Signet: April, October
Health Care Product News — Ad-Q: May, November
Hearing Instruments — Readex: February
Hospital Medicine — PAR: February, May, July, October
Hospitals — Hagen/AMS: March 1, August 16
The Journal of the American Dental Association — Advertising Performance Study: March, September
Journal of the American Medical Association — Hagen/AMS: February 12, May 15, August 13, November 12
Journal of the Veterinary Medical Association — Fosdick: June 1
The Journal of Respiratory Diseases —SPACE: January, April, July, October
MD Medical Newsmagazine — Starch: January to December
Medical Aspects of Human Sexuality —PAR: March, June, August, November
Medical Economics — ACT: January-April, May-August, September-December
Medical World News — Ad/Vise: March 1, June 7, September 1, December 6
MLO/Medical Laboratory Observer —ReADsponse: January, April, August, November
Modern Healthcare — Fosdick: January, March, May, July, September, November
Modern Medicine — Readex: January, February, March, May, June, July, September, October, November, December
Modern Veterinary Practice — Inter-Ad: February, July
Nursing — Harvey: February, May, August, November
Nursing Management — Inter-Ad: February, March, May, June, October, November
Occupational Health & Safety — Ad-Gage, March, September
Ophthalmic Surgery — Inter-Ad: February, September
Optical Management — Signet: March, August
Optometric Management — Signet: March, July
Orthopedics — Inter-Ad: March, June, September
Pediatric Annals — Inter-Ad: March, July
Pharmacy Times — P.I.P.: March, September
Pharmaceutical Technology — Advertising Performance Study: June
Physician and Sportsmedicine — Reader Re-Play: March, June, September, December
Physician's Management — Ad/Spectrum: February, May, August, November
Postgraduate Medicine — Ad-Q: January, April, July, October
Psychiatric Annals — Inter-Ad: March, September
Psychosomatics — SPACE: January, April, July, October
Respiratory Care — Advantage: March
Southern Medical Journal — Inter-Ad: March, July
Surgery, Gynecology & Obstetrics —Inter-Ad: February, May, August, November
Today's O. R. Nurse — Readex: March, September
U.S. Pharmacist — Advantage: February, May, August, October

Canadian Publications

Canadian Chemical Processing — Starch: May
Canadian Datasystems — Starch: June
Canadian Doctor — Starch: February, June, October
Canadian Hotel & Restaurant — Starch: March, September
Electronic Products & Technology —Ad-Q: February
Engineering Digest — Starch: February, May

SCHEDULING GUIDE TO AD READERSHIP STUDIES

Engineering Times — Ad-Q: January, April, July, December
En Route — Starch: January, April
Financial Times of Canada — Starch: March 8, May 31, September 20, November 15
Flare — Starch: May, September
Foodservice & Hospitality — Starch: March
Health Care — Starch: February
Heavy Construction News — Starch: January 18
Homemaker's Magazine/Madame Au Foyer — Starch: April, September, November
Industrial Management — Harvey: February, May, September
Motor Truck — Ad-Q: February, July, September
Physicians Management Manuals —Advantage: March, July, December
Plant Management & Engineering — Starch: March, June, October
Purchasing Management Digest — Ad-Q: April, September

Consumer Magazines

Audio — Readex: April, July, November
Better Homes and Gardens — MIRS: February, April, July, September, December; Starch: April, May, September, October, November
Better Homes and Gardens Kitchen & Bath Ideas — Starch: Spring, Winter
Better Homes and Gardens Remodeling Ideas — Starch: Spring, Fall
Book Digest — Starch: April, November
Boston Magazine — Starch: October, November
Co-Ed — Starch: April, September
Cosmopolitan — MIRS: February, April, June, September, November; Starch: March, April, May, June, September, October, November, December
Ebony — Starch: February, March, April, May, June, August, September, October, November, December
Essence — Starch: March, September
Family Weekly — Starch: TBA
Field & Stream — Starch: February, October
Glamour — MIRS: March, May, August, October, December; Starch: March, April, May, August, September, October, November
Golf Digest — In-House: Spring; Starch: February, May
Golf Magazine — Starch: January, June
Good Housekeeping — Starch: February, March, April, May, June, July, September, October, November, December
Homeowners How-To — Starch: January/February, September/October
Hot Rod Magazine — Starch: April, May
House Beautiful — Starch: March, April, May, September, October, November
House Beautiful Home Remodeling —Starch: Spring/Summer, Fall/Winter
House & Garden — Starch: February, March, April, May, September, October, November
Ladies' Home Journal — Starch: January to December
Mademoiselle — Starch: August, April, October
McCall's Magazine — Starch: March, April, May, October, November, December
Mechanix Illustrated — Starch: April, May, November
Modern Bride — Starch: April/May, October/November
Motor Boating & Sailing — Starch: January
New York Times Fashions of the Times —Starch: March 28, September 12 (Men's); March 2, August 29 (Women's)
New York Times Magazine National Economic Survey — Starch: January 10
Outdoor Life — Harvey: June/October
Parade — Starch: January 3, January 17, January 31, February 14, February 28, March 14, March 21, April 4, April 18, May 2, May 16, June 6, June 13, June 27, July 11, July 18, August 1, August 22, September 12, September 19, October 10, October 17, October 31, November 14, November 28, December 12
Penthouse — Starch: January, February, March, April, June, October, November
People Weekly — Starch: TBA; MIRS: March 15, April 26, June 21, September 27, November 22
Plate World — Readex: November, 1982 — January, 1983
Playboy — MIRS: January, March, June, October, December; Starch: March, April, May, June, September, October, November, December
Popular Mechanics — Starch: March, April, May, September
Popular Science — Starch: March, May, October
Reader's Digest — Starch: January, February, March,April, May, June, August, September, October, November, December
Redbook Magazine — Starch: March, October
Senior Scholastic — Starch: September
Seventeen — Starch: February, April, May, August, October, December
Ski — Starch: March, September
Snowmobile — Readex Red Sticker: November
Southern Living — Starch: March, April, May, October, November, December
Sunset — Starch: February, March, April, May, June, September, October, November, December
Teen — Starch: November
Tennis — In-House: January, June; Starch: June
True Story — Starch: February, April, June, September, October, November, December
Vogue — Starch: April, November
Woman's Day — Starch: All 15 Issues
Yachting — Starch: January, July, September

Farm publications

Beef — Readex Red Sticker: September
California Farmer — Reader Opinion Research: March 20
Colorado Rancher & Farmer — Ballot: February
Dairy — Readex Red Sticker: March
Dairy Herd Management — Fosdick: February
Dairy Record — MMS: May
Drovers Journal-NFF — Readex Red Sticker: January 7
The Farmer — Ballot: February 6
Farm Industry News — Ballot: January (South), February (Midwest)
Farm Journal — In-House: Mid-January, March, June/July, August, October, December
Farm Store Merchandising — Fosdick: February
Feedlot Management — Fosdick: February
Feedstuffs — Fosdick: March 22, August 23
Hog Farm Management — Fosdick: February
Irrigation Age — Readex Red Sticker: March, October
Kansas Farmer — University Research: February 6
Kentucky Farmer — Readex Red Sticker: November
Michigan Farmer — University Research: October 2
Missouri Ruralist — University Research: February 13
National Hog Farmer — Readex Red Sticker: March
Nebraska Farmer — Ballot: January 16
The Ohio Farmer — University Research: September 4
Pennsylvania Farmer — University Research: January 2, August 7
Pig American — Readex Red Sticker: April
Prairie Farmer — Farm Progress Publications Research: February 20, November 6
Soybean Digest — Readex Red Sticker: February
Successful Farming — Ad Chart: February
Wallaces Farmer — Farm Progress Publications Research: March 27, September 11
Wisconsin Agriculturist — Farm Progress Publications Research: April 24, October 9

General business, management and news publications

Barron's – National Business and Financial Weekly — Ballot: January 18, February 22, March 22, April 12, May 17
Business Week (National) — Starch: January 12, January 19, January 26, February 2, February 9, February 16, February 23, March 2, March 9, March 16, March 23, April 6, ,April 13, April 20, April 27, May 4, May 11, May 18, May 25, June 1, June 8, June 15, June 22, July 6, July 13, July 20, July 27, August 3, August 10, August 17, August 24, September 7, September 14, September 21, September 28, October 5, October 12, October 19, October 26, November 2, November 9, November 16, November 23, December 7, December 14, December 21, December 28
Business Week (Industrial) — Starch: January 12, January 19, January 26, February 9, February 16, February 23, March 9, March 16, March 23,. April 6, April 13, April 20, May 4, May 11, May 18, June 1, June 8, June 15, June 29, July 6, July 13, July 27, August 3, August 10, August 24, August 31, September 7, September 21, September 28, October 5, October 19, October 26, November 2, November 16, November 23, November 30, December 14, December 21, December 28

Dun's Business Month — Starch: January, February, March, April, May, June, July, August, September
Forbes — Starch: January 4, February 15, March 15, April 12, April 26, May 10, September 13, September 27, October 11, October 25, November 8, November 22
Fortune — Harvey (Adverbatims): January 11, February 22, March 22, April 5, April 19, May 3, June 14, July 12, August 23, October 4, October 18, November 1, November 29; Starch: February 8, March 22, April 19, May 3, June 14, September 20, October 18, November 15
Inc. — Harvey: January, May, August, November
Industry Week — Starch: January 11, February 22, March 8, April 19, May 31, June 14, July 26, August 9, September 20, October 4, November 15, December 13
International Management (Europe) — In-House: March, June, September
International Management (Latin-America Spanish) — In-House: January, August, December
International Management (Middle East-Arabic) — In-House: February, May, October
International Management (Pacific/Africa) — In-House: April, July, November

Newsweek — Starch: February 15, March 15, April 12, April 19, May 10, May 17, June 14, September 13, September 20, October 11, October 18, November 8, November 15, November 22, December 6; MIRS: January 25, February 8, March 8, May 17, June 14, August 23, ,September 20, October 18, November 1, December 13
Scientific American — Starch: April, September
Sports Illustrated — MIRS February 22, March 22, May 24, June 7, October 4, November 8; Starch: January 18, February 1, April 5, April 12, May 10, June 28, July 12, August 30, September 6, October 18, December 6, December 27
Time — MIRS: February 15, April 12, May 10, July 19, October 11, December 6; Starch: April 19, May 17, November 8, December 6
U.S. News & World Report (Blue Chip Demo) — Starch: May 10, June 7, November 22
U.S. News & World Report (Million Market Edition) — Starch: April 19, October 18
U.S. News & World Report (National Edition) — Starch: February 22, April 19, May 10, June 7, October 18, November 8

Wall Street Journal — Subscriber Advertising Measurement: January 11, February 3, March 4, April 23, May 3; Starch: January 13, January 19, January 27, February 9, February 18, February 23, March 9, March 17, March 23, April 13, April 21, April 29, May 4, May 13, May 19, May 25, June 1, June 8, June 16, June 22, July 13, August 10, September 7, September 14, September 22, September 30, October 5, October 12, October 20, October 28, November 3, November 9, November 16, November 18, December 1, December 7
Wall Street Journal (Midwest Edition) —Subscriber Advertising Measurement: January 25, February 10, March 25, April 30, May 17

Specialized business publications

ABA Banking Journal — Advertising Performance Study: April, November
Adhesives Age — Fosdick: September
Advertising Age — Fosdick: January 25, March 22, May 17, July 12, September 20, November 1
Adweek — Ad Chart: March 29, June 28, September 27
Administrative Management — Fosdick: February, June, September
Agrichemical Age — Readex Red Sticker: January 1
AIA Journal — Counsel House Research: January, March, May, July
Air Conditioning, Heating & Refrigeration News — Readex Red Sticker: January 18, March 15, May 31, October 4
Air Transport World — Starch: January, May, July, October
American Automatic Merchandiser —Readex: June
American Building Supplies — Ad-Q: April
American City & County — Ad-Q: February, June, September, November
American Hairdresser/Salon Owner —Starch: April, November
American Machinist — Advertising Performance Study: March, June, November
American Shipper — Ballot: May
Analytical Chemistry — Ad/Lab: March, May, August, November
Appliance — Fosdick: May, September
Appliance Manufacturer — Cahners: January, February, May, July, September, October
Architectural Record — Starch: January, February, Mid-February, March, April, May, Mid-May, June, July, August, Mid-August, September, October, Mid-October, November, December; Ad-Sell: March, July, December
Assembly Engineering — Read/Ad: January, June
Automotive Chain Store — Ad-Q: June
Automotive Engineering — Ad-Q: March, October
Automotive Industries — Ad Chart: February, March, May, July, September, November
Automotive Marketing — Ad Chart: March
Automotive Rebuilder — Ad-Q: April, October
Aviation Week & Space Technology — Harvey: January 11, April 12, October 11 - *Special Package Section:* February 15, April 26, September 20
Bakery Production and Marketing —Ad/Call: January, April
Baking Industry — Fosdick: January
Bank Systems & Equipment — Ad-Q: August
Beverage Industry — Readex Red Sticker: March, June, September
Beverage World — Ad-Q: January, April, July, October
Bodyshop Business — Ad-Q: May, September
Brake & Front End — Ad-Q: May
Brick & Clay Record — Cahners: March, June, August, November
Broadcast Communications — Advertising Performance Studies: February, September
Broadcast Engineering — Ad-Q: May, October
Building Design & Construction — Cahners: January to December
Building Supply News — Cahners: March, April, May, August
Buildings — Fosdick: February, May, July, September
Case & Comment — Readex: March/April
Catalog Showroom Business — Ad-Q: March
Cee-Contractors' Electrical Equipment —SARA: March, November
Ceramic Industry — Cahners: February, June, August, November
Chain Store Age Supermarkets — Ad Call: May, October
Chemical & Engineering News — Ad/Lab: January 25, March 29, May 31, July 19, September 13, November 1
Chemical Engineering — Harvey: January 1, January 25, February 8, March 8, March 22, April 19, May 31, July 12, September 6, September 20, November 15
Chemical Processing — Fosdick: January, February, May, July, August, October, December
Chemical Purchasing — Fosdick: April, September
Chemical Week — Ad-Q: January 6, February 10, March 24, May 12, June 30, July 21, September 8, November 24
Circuits Manufacturing — Ballot: February, May, August, November
Civil Engineering — Ad-Q: January, April, July, October
Coal Age — Ad-Q: January, April
Coal Mining & Processing — Fosdick: January, July
Commercial Car Journal — Ad Chart: January, April, July, November
Computer Decisions — Reader Recall: February, April, June, August, October, December
Computer Design — Readex: February, July
Computerworld — Becker Reader Action Studies: February 8, May 10, November 8
Construction Contracting — Readex: March/April, May/June
Construction Equipment/Maintenance —Starch: January, June, September, October, December; Harvey: March, July
Construction Specifier — Ad-Q: March, July, November
Consulting Engineer — RAA: January, March, June, July, October, December
Container News — Fosdick: May
Contract — Ad-Q: August
Contracting Business — Starch: January, April, September
Contractor — Ballot: January, March, June
Control Engineering — RAA: January to December
Data Communications — Advertising Performance Study: April, September
Data Management — Fosdick: May
Datamation — Ad-Q: April, July, December; Harvey: February, March, August, November
Decorating Retailer — Readex: April, August, November

SCHEDULING GUIDE TO AD READERSHIP STUDIES

Decorative Products World — Ad-Gage: March, June, August, October
Design Engineering — Ballot: January, February, April, May, July, September; Ad-Sell: January, March, June
Designfax — MSS: April
Design News — Cahners: January 4, January 18, February 1, February 15, March 1, March 15, April 5, April 19, May 10, May 24, June 7, June 21, July 5, July 19, August 9, August 23, September 13, September 27, October 11, October 25, November 8, November 22, December 6, December 20
Diesel & Gas Turbine Progress — Fosdick: January
Digital Design — Ballot: February, April, June, August, October, December
Distribution — Ad Chart: February, June, October
Domestic Engineering — Reader Pulse: February, April, July, December
Drilling Contractor — Advertising Performance Studies: April, December
Drug & Cosmetic Industry — Readex: January, August
Edn — Cahners: January 6, ,February 3, March 3, April 14, May 12, May 26, June 23, July 16, August 18, September 1, October 27, November 24, December 17
Ee-Electrical Equipment — SARA: January, July
Elastomerics — Fosdick: April
Electric Light & Power — RAA: April, June, September
Electrical Construction & Maintenance —Ad Sell: January, May, October
Electrical Consultant — Ballot: January/February, May/June
Electrical Wholesaling — Readex: March, October
Electrical World — Signet: February, April, July
Electronic Business — Cahners: January to December
Electronic Component News — Ad Chart-Ad Action: January, April, July, October
Electronic Design — Reader Recall: January 7, Feburary 18, March 31, April 29, May 27, June 24, July 22, August 19, September 30, October 28, November 11, December 9
Electronic Design (International Edition) —Reader Recall: January 21, July 8, September 16, December 23
Electronic Engineering Times — Starch: January 18, March 15, March 24, July 19, September 13, November 22
Electronic Packaging and Production —Cahners: January, May, August, December
Electronics — Ad Sell: February 10, June 16, September 22; Postcom: January 27, April 7, July 14; November 12
Electro-Optical Systems Design —Cahners: February, July, December
Energy Management — Ad-Gage: January/February, May/June, August/September
Energy Management Report — Reader Interest Study: January, May, July, October, November
Engineering & Mining Journal — Ad-Q: February, May
Engineer's Digest — Readex Red Sticker: February, September
Environmental Science & Technology —Ad/Lab: March, July, December
Fast Service — Readex: March, September
Feed Management — Readex Red Sticker: January
Fire Chief — Readex: August
Fire Journal — Ad-Q: March
Fire Service Today — Fosdick: March
Fleet Maintenance & Specifying — Ad-Q: February, May, October
Fleet Owner — Readex: January, February, April, July, September, November
Fleet Owner/Small Fleet Edition — Readex: February, June, September
Food and Drug Packaging — Readex: January, June
Food Development — Readex Red Sticker: February
Food Engineering — Ad Chart: January, April, July, September, October, December
Food Management — Readex: March, October
Food Processing — Fosdick: January, February, March, May, July, September, November
Food Service Marketing — Fosdick: January, April, September
Forecast — Readex Red Sticker: February, October
Forest Industries -- Readex Red Sticker: June, October

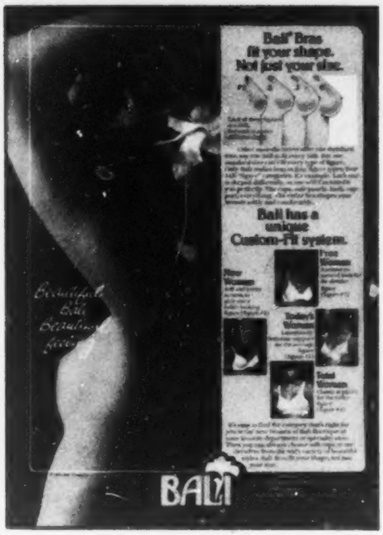
Foundry Management & Technology — Ad Fax: January, February, May, July, September, October
Garden Supply Retailer — Fosdick: August
Giftware Business — Ad-Q: April, October
Government Product News — Ad Component Rating: January, May, September
Graphic Arts Monthly — Ad Readership Analysis: February, May, August 20, November
Handling & Shipping Management —Starch: March, April, May, September
Hardware Age — Ad Chart: January, March, May, July, September
Hardware Merchandiser — Ad-Q: March, June, September, November
Heating/Piping/Air Conditioning — Ad-Gage: January, April, June, September
Heavy Duty Marketing — Ad-Q: July/August
Heavy Duty Equipment Management/Maintenance — Ad-Q: January, June, September
Heavy Duty Trucking — Starch: February, May, August, November
Highway & Heavy Construction — RAA: February, March, May, August, October, November
Home & Auto — Readex Red Sticker: May 1
Home Center Magazine — Ad Sell: May, October
Hospitality (Lodging) — Starch: May, August, November
Hospitality (Restaurant) — Starch: March, July, September, November
Hotel/Motel Management — Readex Red Sticker: April, November
Hydraulics & Pneumatics — Readex: March, May, July, September
Importcar — Ad-Q: February, September
Independent Agent — Harvey: January, July
Industrial Design — Ad-Q: January/February
Industrial Distribution — Ballot: February, May, June, August, October, December
Industrial Distributor News — Ad-Q: January, May, September
Industrial Engineering — Ad-Q: April, September
Industrial Equipment News — Harvey: March, April, June, September, October, November
Industrial Finishing — Read/Ad: May, November
Industrial Maintenance & Plant Operation —Ad-Chart: January, March, June, August, October
Industrial Research/Development — RAA: January to December
Industrial Safety Product News —Advertising Readership Reports: January, April, September
Infosystems — Ballot: April, August
In-Plant Reproductions — Ad-Q: March
Institutional Distribution — Advertising Performance: August
Instructor — Harvey: January, April, November
Instrument & Apparatus News — Ad Chart-Ad Action: January, March, May, August, November
Instruments and Control Systems — Ad Chart: January, February, April, July, August
Insulation/Circuits — Fosdick: March
In-Tech — Ad-Q: March, October
Interiors — Ad Sell: March
Iron Age — Ad Chart: January 4, January 22, February 10, March 1, March 10, April 5, April 23, May 21, June 16, July 6, July 23, August 20, September 6, September 24, October 13
Iron Age-Metal Producing Edition — Ad Chart: April 5, July 6, September 6
Jobber Topics — Readex: January, March, May, August, October, November
Jobber & Warehouse Executive — Ad-Gage: May
Journal of the American Dietetic Association — Readex: April, September
Journal of Petroleum Technology —Fosdick: February, April, July, October
Kitchen & Bath Business — Ad-Q: March, October
Laser Focus — In-House: February, September
Lawn & Garden Marketing — Ad-Q: October 25
Machine and Tool Blue Book - Ballot: January, June

Machine Design — Ad-Gage: January 7, January 21, February 11, February 25, March 11, March 25, April 8, April 15, April 22, May 6, May 13, May 20, June 10, June 17, June 24, July 8, July 22, August 12, August 26, September 9, September 23, October 7, October 14, October 21, November 11, November 18, November 25, December 9
Madison Avenue — Ad-Sell: February, August
Magazine Age — Ad Chart: May
Manufacturing Engineering — Readex: February, March, June, September
Marine Engineering/Log — Fosdick: March, August

Material Handling Engineering — Starch: January, April, May, June, August, November
Materials Engineering — Starch: January, March, May, July, September, November
Mechanical Engineering — Fosdick: March, April, June, September, October
Meeting News — Ad-Q: July
Meetings & Conventions — Harvey: January
Merchandising — Ad-Q: August, September, November
Metal Progress — Ad-Q: January, March, April, May
Microwaves — Readex Recall: January, April, June, October, December
Mini-Micro Systems — Cahners: February, March, April, June, July, October
Mining Engineering — Readex: October
Modern Casting — Readex: March, October
Modern Machine Shop — Ad-Q: January, July
Modern Materials Handling — Cahners: January 6, January 20, February 5, March 19, April 6, June 7, July 20, September 7, September 21, November 5
Modern Office Procedures — Starch: February, March, May, June, September, November
Modern Paint & Coatings — Fosdick: June, November
Modern Plastics — Harvey: February, May, August, November
Modern Railroads/Rail Tranist — Cahners: January to December
Motor — Ballot: February, May, September
Motor/Age — Ad Chart: September
Motor Service — Ad-Gage: July
Multi-Housing News — Ad-Q: April/July
National Jeweler — Ad-Q: June 16, November 1
National Safety News — Fosdick: April
New Equipment Digest — Hagen/MMS: January, March, April, June, July, September, October, November
The Northern Logger and Timber Processor — Readex: June
Occupational Hazards — Readex: April, August, October
The Office — Readex: February, May, August, November
Office Products Dealer — Ballot: March, October

Offshore — Harvey: March, June 5, September, December
Oil & Gas Digest — Ad Chart: March, October
Oil & Gas Journal — Harvey: January 4, February 1, March 1, April 26, July 5, August 23, September 20, December 6
Optical Spectra — Ad-Q: July, December
Package Engineering — Cahners: January, February, April, May, August, September, December
Package Printing — Ad-Q: April
Packaging Digest — Harvey: January, May, September
Paper Trade Journal — Ballot: April 30, July 30, October 30
Personnel Administrator — Fosdick: June
Pest Control — Readex: February, September
Petroleum Engineer International — Reader Interest Study: January, July, November
Pipe Line Industry — Reader Rating: February, April
Pipe Line Industry (Europe) — Reader Rating: November
Pipeline & Gas Journal — Reader Interest Study: January, May, October
Pit & Quarry — Ad-Gage: March, June, August
Plant Energy Management — Readex Red Sticker: April, October
Plant Engineering — RAA: January 7, January 21, February 4, February 18, March 4, March 18, April 1, April 15, April 29, May 13, May 27, June 10, June 24, July 8, July 22, August 5, August 19, September 2, September 16, September 30, October 14, October 28, November 11, November 24, December 9, Dec. 23
Plant Services — Fosdick: January, April, June, September
Plastics Technology — Signet: January, March, August, December
Plastics World — Cahners: February, March, May, July, August, October
Pollution Engineering — Fosdick: February, June, September, November
Power — Harvey: March, June, September
Power Engineering — RAA: April, August, November
Power Transmission Design — Readex: January, April, July, October
Premium/Incentive Business — Ad-Q: March
Printing Impressions — Ad-Q: February
Processed Prepared Food — AIS: March, November
Product Design & Development — Ad Chart-Ad Action: January, March, May, July, September, November
Production — Harvey: January, April, July, October
Production Engineering — Ad-Gage: January to December
Production Manufacturing Planbook — Harvey: Mid-April
Products Finishing — Ad-Q: June
Professional Builder & Apartment Business — Cahners: February, March, November, December
Professional Furniture Merchant — Ad-Q: June

The Professional Photographer — Ad Sell: April
Professional Remodeling — Readex: February, June/July
Progressive Architecture — Readex: January to December
Progressive Railroading — Readex: January, July
Pulp & Paper — Readex: April, September; Harvey: February, July, November
Purchasing Magazine — Starch: January 28, February 11, April 29, June 10; Cahners: March 11, May 13, July 8, September 23, October 7, November 18
Purchasing Magazine (Chemical Process Industries Edition) — Cahners: January 14, February 11, March 11, May 13, June 10, November 4
Purchasing World — RAA: January to December
Qualified Remodeler — Inter-Ad: June
Quality — Ad-Q: January, June, October
Railway Age — Simmons: January 25, June 28, September 13
Railway Track & Structures — Simmons: March
Restaurant Business — Starch: March 1, May 15, September 1, November 1
Restaurants and Institutions Magazine —Starch: January 1, April 1, May 15, June 15, October 15, December 1
Rock Products — Fosdick: February, May
School Food Service Journal — Readex: March
School Product News — Starch: February, September
Security Dealer — Ad-Q: June
Security Distributing & Marketing —Cahners: March, May, August
Security Industry & Product News — Ad-Q: June
Security World — Cahners: April, July, December
Semiconductor International — Cahners: March, May, July, December
Service Station Management — Ad Gage: June
Solid Waste Management — Fosdick: June
Southern Pulp and Paper — Ad-Q: May, August, December
The Specialist — Ad Chart: May/June
Specialty & Custom Dealer — Ad-Q: April
Specifying Engineer — Cahners: February, April, May, June, August, September, November, December
Sporting Goods Business — Ad-Q: April
Super Service Station — Ad-Q: March, July, November
Tappi — Fosdick: January, May, July, September
Telephone Engineer & Management — Readex: March 1, June 1, October 15
Telephony — Fosdick: February 8, May 3, July 19, September 13
Textile Industries — MMS: January
Textile World — Ad-Q: Jan., April, Aug.
33 Metal Producing — Harvey: February, May
Tire Review — Ad-Q: February
Tooling & Production — Hagen/AMS: February, July, December
Traffic Management — Cahners: October; Readex: January, February, April, September
Traffic World — Readex: January 25; Starch: May 24; Harvey: December 6
Transmission & Distribution —Starch: January, May, July
Transport Topics — Ad-Q: April 26, October 18
Truck & Off-Highway Industries — Ad Chart: April, August, October
United States Banker — Ballot: June
Ward's Auto World — Readex: March, July, September, December
Warehouse Distribution — Readex: January, April, June/July, September, November/December
Warehouse Distributor News — Ad-Q: January, May
Water Engineering & Management —Fosdick: January, May, July, October
Weeds, Trees & Turf — Readex: March, June, October
Welding Design & Fabrication — Starch: February, August
The Wholesaler — Reader Pulse: April, July, October
Wood & Wood Products — Fosdick: June
Woodworking & Furniture Digest — Read-Ad: March, September
Word Processing Systems — Fosdick: July



Brand Report 72:

Hosiery & lingerie

With the number of career-minded working women increasing, intimate apparel and hosiery marketers are enjoying a boom. To reach this new breed of woman, who has more discretionary income but less time to shop, leading advertisers are investing heavily in net tv and print.

As inflation's bite and high interest rates continue to erode profits and create a darkening cloud over the U.S. economy, the intimate apparel industry is enjoying record growth. To take full advantage of heavy consumer buying in this field, major advertisers budgeted over $155 million in 1980, according to Leading National Advertisers.

One theory about the boom in intimate apparel is that this market is actually benefiting from the inflated prices in other segments of the garment industry. The reasoning: since the price of outer garments is so forbiddingly high, a great many women substitute what they need for what they can afford.

As one industry spokesperson put it, "Instead of walking out of the store empty-handed and depressed because she can't afford what she wants, the average woman will buy a luxury item for a quick pick-me-up. And, more often than not, that item will be a sexy slip, teddy, bra, camisole or any number of other garments in the intimate apparel line. The same holds true for hosiery, which is a relatively inexpensive purchase compared to the cost of a new dress, skirt or blouse.

Sources also say that although many consumers feel the squeeze of the economic crunch, another segment of the population has more discretionary income than ever before — working women.

However, Fred Karsh, executive vice president, Creamer, Inc. warns advertisers "not to look at working women as a monolithic whole." He goes on to explain that "There are a great many women working solely to supplement the family income. They are not the big spenders. These people may be spending a little more on clothes than in the past because they

Bras & Lingerie 1980

	6 media total	Magazines	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Bali	$ 1,256,300	$ 243,300			$1,013,000			
Playtex	12,151,000	1,541,300	$ 14,000	$9,764,600	831,100			
Maidenform	1,426,500	1,280,400	146,100					
Sears	3,040,500	436,700		2,256,900		$346,900		

Sources: Leading National Advertisers, 1980.

are in a working environment, but their money usually goes toward essential items — nothing frilly or out of the ordinary."

Then there is the career-minded working woman. Earning upwards of $15,000, she wants to look good on the job, and needs the clothes to create an image. Says a spokesperson for Maidenform: "The mean age of this new breed of working woman is 34. Although she was affected by changes in the 60's, here lifestyle has changed dramatically since that time. Fifteen or so years ago she might not have paid much attention to her looks, but today she is well groomed and spends a good deal of money on clothes and makeup."

This woman has many different types of clothing needs. She wants outer garments that enhance her professional image. "But underneath it all she wants support, fit and comfort," says Steve Marcus, marketing vp for Bali bras. And an increasing number of women who wear conservative business suits are buying soft, feminine, intimate apparel to help feel inwardly sexy, despite their man-tailored look.

Although women are buying more hosiery than ever, they have less time to shop in department stores, the traditional buying place for hosiery. To come to terms with this problem, Hanes introduced a low-priced pantyhose line under a different brand name — L'eggs — and hatched them in places that were easily accessible to the lunch hour shopper — mass merchandising supermarket and drug store chains. At the same time they were able to maintain their upscale image by confining the Hanes line to department and speciality stores.

This trend-setting move into mass merchandising low-to-mid price pantyhose sparked an explosion of other hosiery brands, as well as a wide variety of styles to meet the working women's needs. In 1980, leading hosiery manufacturers spent over $60 million in net and spot tv and print advertising.

HOSIERY

Hanes

The hosiery market is in one way similar to the American car industry. Although there are many different brands, most of them are owned by a handful of corporate giants.

The Hanes Corporation, a subsidiary of Consolidated Foods, is the General Motors of women's hosiery. Housed under the Hanes name are Hanes hosiery, Underalls and Today's Girl. L'eggs Products Inc., the leading seller of mid-priced pantyhose, is also under the Hanes umbrella. According to Leading National Advertisers, the Hanes corporation spent over $40 million (six-media total) in advertising in 1980.

Hanes hosiery, the company's upscale line, is the number one department/specialty store brand in the country. Considered the Lenox of fine hosiery, the successful creative for this top-of-the-line brand, "Gentlemen

Hosiery 1980

	6 media total	Magazines	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Easy To Be Me	$ 3,383,300	$ 437,100		$2,900,900	$ 45,300			
Hanes Hosiery	7,418,700	2,211,500		4,871,300	335,900			
Hanes Too	75,100	75,100						
L'eggs	24,914,700	5,938,600	$169,700	17,648,900	392,300	$765,200		
No Nonsense	13,283,800	2,048,400		10,683,200	552,200			
Underalls	6,965,000	524,700		6,386,000	54,300			
Today's Girl	2,319,600			2,300,000	19,600			

Sources: Leading National Advertisers, 1980.

prefer Hanes,'' has been running for eight years.

After grabbing the top spot in the fine hosiery market, Hanes introduced Hanes Too in September of last year to compete with mid-priced panty hose mass distributed in food and drug outlets. Says Nancy Burghart, account supervisor at Dancer Fitzgerald Sample, Hanes Too is targeted to younger women who are ''aware of Hanes and who would love to purchase the brand, but cannot reconcile themselves to its premium price.''

The media for Hanes and Hanes Too is primarily tv and women's magazines, with a greater percentage of the approximate $15 million budget allocated to net tv.

Comments Burghart, ''Based on past experience and extensive testing, net tv, using a mix of dayparts, provides the most effective means of generating awareness and impact for the Hanes brands.''

Hanes uses women's magazines to build brand image and reach the light tv viewer and specific target audiences. While ads for both Hanes and Hanes Too are in fashion magazines, Hanes hosiery is concentrated in books such as *Vogue* and *Harper's Bazaar*, while Hanes Too focusses on the younger woman with *Mademoiselle* and *Glamour*.

Underalls. The Underalls brand is a mid-priced all-in-one panty with hose guaranteed not to leave unsightly panty lines. Slenderalls promise a firm fit and Winteralls are an opaque pantyhose for cold weather wear.

The primary media for this group is network tv supplemented by a small amount of spot tv for the Winteralls brand in the top twenty-five markets. The tv spots are concentrated in prime and some dayparts to reach younger, working women. According to Leading National Advertisers, the six media total for the Underalls group was $6.7 million in 1980, compared to $5.6 million in 1979.

Today's Girl. According to Today's Girl group product director Barry Boyd, ''Today's Girl is positioned at the low-priced side of the Hanes lineup.'' The primary media for this brand is net tv, supplemented with spot in key markets.

To reach the 18-49 demographic with a special focus on working women, Today's Girl ads run during early morning hours.

And since the main difference between Today's Girl and other mass distributed brands is its low price, it seems only fitting that the tag line on the tv spots is ''Today's Girl. Buy it for the quality, chose it for the price.''

THE MAIDENFORM WOMAN.
YOU NEVER KNOW WHERE SHE'LL TURN UP.

Maidenform feels that soft, pretty, sexy products are the key to its success.

L'eggs. L'eggs is the number one brand of mass distributed mid-priced pantyhose, according to Scott Rossborough, vp and account supervisor for L'eggs at Dancer Fitzgerald Sample. The company's growing success started back in the 1970s when it introducted a new line of pantyhose designed for and distributed to working women, and tied it in with the clever L'eggs eggs packaging idea.

NO NONSENSE: LOOKING GREAT FOR LESS.
"No nonsense panty hose"
No nonsense fit, comfort and terrific looking legs.
All at a No nonsense price.

"The No Nonsense woman is practical, rational, working and concerned with performance," says marketing vp Carter.

To meet a variety of fashion needs, the L'eggs brand consists of five styles of hosiery: L'eggs regular, a standard no frills pantyhose; Sheer Energy, designed to give all day massage; Undie L'eggs, a combined all-in-one pantyhose; Undie Bands, a knee high stocking to be worn under jeans, and Sheer Elegance, a top-of-the-line pantyhose that ''has the look of silk.''

According to Rossborough, ''The demographic for L'eggs is working women 18-49, but the company is starting to pay closer attention to the 50-64 age group because these people have more discretionary income than ever before.''

To reach a broad demographic, L'eggs tv commercials run in primetime and in some dayparts. And, states Rossborough, ''Early morning and late night programing are also used, depending on cost efficiency.'' He adds that a limited amount of radio spots in problem and opportunity markets complement L'eggs tv commercials.

L'eggs also has a sizable print budget. Ads run in national women's service and fashion magazines. Leading National Advertisers figures show that the company is generating as much activity as it can to hold onto the top spot in mid-priced hosiery. The six media total of over $24 million indicates that L'eggs spent more money on advertising in 1980 than any other hoisery brand.

KAYSER-ROTH

To reach two different types of working women, Kayser-Roth Hosiery Corporation, a division of Gulf and Western, developed two distinct brands of mass distributed pantyhose.

No Nonsense. According to No Nonsense marketing vp Richard Carter, ''The No Nonsense woman is practical, rational, working and primarily concerned with product performance. In general, she tends to be more secure in who she is. And her income, upwards of $15,000 is usually part of a two paycheck family.''

Whatever else can be said about the No Nonsense woman, Carter claims that one thing is for certain: she's definitely not interested in frills. What she wants is what the advertising copy point promises, "Fit, comfort and terrific looking legs, all at a No Nonsense price."

The primary medium used for spreading the No Nonsense message is net tv with a heavy concentration in primetime. Some spot tv is also used, but Carter claims, "We don't use as much spot as in the past because it's more expensive and less efficient." He adds that No Nonsense is also expanding into print in the major women's service magazines.

Easy To Be Me. To reach a more "upbeat, fashion conscious" working woman, Kayser Roth developed a higher priced all-in-one pantyhose called Easy To Be Me. According to a company spokesman, this brand is similar to L'eggs Undie L'eggs but is a bit more expensive than the other L'eggs brands.

Similar to other hosiery advertisers, primetime and print are the two favored media for Easy To Be Me. Some of the women's fashion and service magazines for this brand include *Cosmopolitan, Glamour, Mademoiselle, Vogue, Good Housekeeping, Woman's Day* and *New Woman*. The copy line "It's Easy To See Who's An Easy To Be Me," has been running since 1978.

LINGERIE

Bali

In the mid-seventies, sales figures at the Bali Corporation started a gradual downhill course. Marketing research revealed the reason: the company was unable to get its merchandise — full-figured support bras — properly displayed in department stores.

States Bali marketing vp, Steve Marcus, "This is an age old problem. Department stores display the pretty bras, consisting of about 20% of their supply, and the other 80% are hidden away in drawers." And with a fewer number of department store clerks than in the past, the problem of selling a non visible product was compounded.

To pull the company out of its sales slump, Bali marketers developed a new packaging and advertising strategy to make Bali bras more accessible — and at the same time, make finding the right style for the proper fit easier, without the help of a sales clerk. This all-encompassing strategy is called the Bali Boutique.

If your control top doesn't feel this comfortable... Get the one and only Leggs®
Nothing beats a great pair of Leggs.

The L'eggs demographic is working women 18-49, but the company is starting to focus on the 50-64 group as well.

"The Bali Boutique program went into the test market phase in January 1980 in Boston and Philadelphia," says Marcus. And it proved so successful that it was rolled into 67% of the country by the end of 1981. In the process of spreading the Boutique message nationwide, Bali's ad budget jumped from $2,000 in 1979 to over $1 million in 1980, according to LNA six-media totals.

Marcus also says that 75% of Bali's ad budget is in spot tv; since Bali is not entirely national, the company prefers to use spot tv to zero in on the areas where sales are concentrated.

Bali's thirty second tv spots run during early morning, late night and primetime programing, all geared toward the working woman.

The commercial features three clothed women, all with different types of figures but the same bust size. The copy point is, "Bali fits your shape. Not just your size." States Marcus, "Today's woman wants support, uplift and fit. The tendency might be to buy more feminine clothing, but not at the expense of quality."

Bali is also running a co-op tv campaign with several department stores in test areas of the Midwest. And the company's print campaign, which is more informational than emotional in appeal, is in such womens' magazines as *Good Housekeeping, Cosmopolitan, Vogue*, and *Working Woman*.

Maidenform

In contrast to Bali, the people at Maidenform feel that what's most important to today's woman are soft, pretty and sexy bras and lingerie. Instead of providing maximum support, the Maidenform look is "plungier, fashionably brash and sexier," all with a lot less bra.

According to Daniel Karsh, executive vp and account supervisor at Creamer, "The Maidenform woman is upscale, contemporary and fashion-oriented. And, most important, she wants intimate apparel that makes her look and feel good."

Maidenform's $1.4 million ad campaign (LNA six-media total, 1980), runs exclusively in print. Karsh explains why: "We feel that the tv regulations against using a live model to display lingerie prevent us from showing the Maidenform look in an emotionally appealing way."

Instead of using tv, the company projects a powerful message through print. The current copy line, "The Maidenform women — you never know where she'll turn up," launched in 1979, is an extension of an earlier campaign that featured women dreaming about "painting the town red," shopping, and shooting pool, all in their Maidenform bras. But "today, instead of dreaming, the Maidenform woman is doing," says Karsh.

The ads appear in the major women's service and fashion magazines and feature bras, teddys, camisoles and a variety of other undergarments. Says Edward Kantrowitz, vp advertising, "Our ads feature updated and fashionable merchandise and clearly show our color and coordination story."

Advertising for Maidenform tends to be seasonal, with heavy ups during Christmas time.

Playtex

Outshining all others, the Playtex Corporation is the nation's leading advertiser of bras and lingerie. The $12.1 million six-media total in 1980 showed a heavy concentration in net tv followed by spot and print.

States Playtex general manager Michael Kaufman, "The main thrust behind all the company's advertising is combining fashion with function." He goes on to say that "all of our brands have a unique selling proposition and their names tell exactly what they do." As an example, Kaufman mentions the "Cross Your Heart," "Support Can Be Beautiful," and "Thank Goodness It Fits" bras.

Kaufman goes on to say that "Over the years, we've found that the traditional Playtex customer has shown tremendous brand loyalty." And to reach the untraditional customer, in 1979 the company introduced Givenchy Underdressings, an upscale elegant line of lingerie developed exclusively for Playtex.

The print campaign is used to supplement tv coverage and extend reach. A sample of the women's magazines Playtex ads appear in include *People, Cosmopolitan, Mademoiselle, Harper's Bazaar, Family Circle, Ladies' Home Journal, McCall's* and *The New York Times*.

Sears

Sears Roebuck is the only department store with a large media outlay for its hosiery and lingerie lines. In fact, according to LNA, Sears spent over $3 million in net tv, net radio and print in 1980.

This represents a significant change over the 1979 total budget of $953,000. The medium most affected by Sears increased spending was net tv, which reflected a total budget of $2.3 million in 1980, compared with $662,400 in 1979.

States Dick McDonald, account supervisor for Sears at Foote, Cone and Belding, Sears advertising plays up product benefit with specific attention to comfort, style and durability.

The three brands of hosiery given the lion's share of advertising play are Sears Endurables, Cling-alons and Hug-alons.

Sears' most heavily advertised bras are Timeless Comfort, and Fashion Cross. Also receiving significant ad support is the recently introduced Cheryl Tiegs line of lingerie for the designer-oriented shopper.

Sears' media schedule for both print and tv is on a quarterly basis.

Madeleine Dreyfack

D.C.

(from 36)

Among the suggestions in the FTC report were warnings such as: "Lung cancer: the major cause is smoking," "Heart attack: a major risk factor is smoking," and "Teens: the earlier you start, the more likely you are to die of smoking."

However, the Congressional versions found in the legislation are a bit milder. One reads, "Warning: the surgeon general has determined that cigarette smoking causes heart disease."

Purcell commented that the cigarette warning issue is symptomatic of "an argument we've been having with FTC for some time. They see advertising as information for consumers; we agree that it sometimes is, but we add that is information from a biased source — the seller of the product."

"We can't believe — as the government seems to — that advertising is the only place consumers receive information about smoking.

"So, in this case, we're going to be stressing that advertising is an advocacy message for a product that is legal to sell. The government doesn't seem to be able to distinguish where advertising fits in with a product that is controversial, but perfectly legal to sell."

FTC's Miller clarifies ad substantiation views

When FTC chairman James Miller questioned the necessity for the commission's ad substantiation program at a press conference last fall, advertisers felt some clarification was in order.

Did chairman Miller see no proper substantiation role for FTC? Was he saying the program would be dropped, or only that too many advertisers were being forced to substantiate claims? Or did he mean that advertisers were being asked for too much detail in substantiation of advertising claims? Or, did he refer to requirements for substantiation prior to running ads in cases where an advertiser's hands had already been slapped for making unsubstantiated claims?

Some clarification was forthcoming from Miller during his appearance before the Association of National Advertisers in November. He left little doubt that he will push for a full reanalysis of FTC's role in ad substantiation, but indicated that the issues are complex, and will take considerably more time to resolve.

"Let me be very clear," he told ANA, "truthful advertising is a highly desirable goal, and as chairman of the commission, I will pursue it with vigor."

But, he said, problems arise when FTC requests substantiation for "implied claims that did not fit the common-sense meaning of the words. Specifically, the tendency on the part of the commission to impute claims that were never intended or were understood by only a small minority of consumers could lead to restrictions on useful information."

Miller also confirmed that he is concerned about the quantity of information required.

"If the reasonable basis requirement is too burdensome, consumers will pay more in increased costs than they receive by way of accurate information. Also, if objective claims require elaborate substantiation, while subjective claims do not, substantiation may reduce the over-all informational value of advertising," Miller added.

Miller concluded by telling the ANA members that he would like to examine "whether there should be lower standards of evidence for reasonable basis. FTC should reevaluate whether the commission should impose any requirement for substantiation prior to the making of claims."

Industry response to Miller's remarks on ad substantiation have been lukewarm, at best. The official ANA response to the chairman's San Francisco remarks reiterated plans to "continue to support those regulations and requirements which have been established by individual companies, by the advertising and broadcasting industries and by the FTC to maintain truthfulness in advertising."

Special Report:

Suburban newspapers

National advertiser interest in suburban newspapers is climbing as the suburban press becomes more sophisticated, credible and easy to buy. These papers have been thriving — sometimes at the expense of major metropolitan dailies — as the massive population and spending power shifts to the cities' outlying areas. Suburban newspaper publishers say their chief strength is in-depth coverage of community news that readers can't find elsewhere. The proliferation of suburban papers makes it impossible to cover all papers and all markets; this report highlights trends of suburban papers in the top 15 markets.

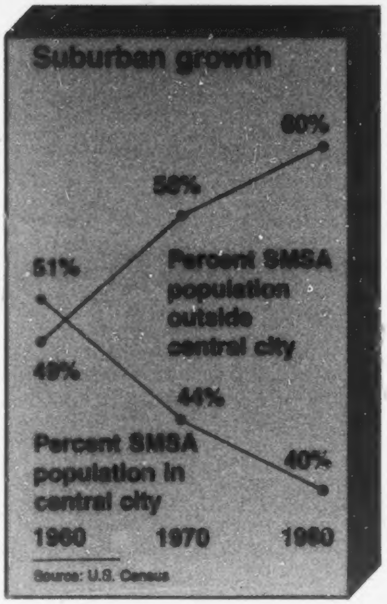
John Floyd tucks the newspaper under his arm as he bolts from the doorway of his colonial brick home to catch the 7:15 a.m. train to the city. During the forty-minute ride, he skims over news about a proposal for peace in the Middle East, a White House plan to balance the budget, an oil company's fight against a takeover and the city's action to improve mass transit.

In the evening, John pauses in the teaming crowds headed for commuter trains to pick up his second newspaper of the day. He finds a seat next to the window and loosens his tie. Unfolding his paper, John reads some familiar columns and a feature on how much his property taxes may climb.

The five block walk from the train station leads John to his driveway, where he glances down to find a third newspaper, a local shopper. He remembers that he should check it to find the best place to buy this winter's firewood.

John's newspaper habits may not be typical, but across the nation suburban newspapers are gaining readership faster than metropolitan dailies. The trend is especially prevalent in large metropolitan areas where masses of readers have exited from decaying inner cities to the suburbs.

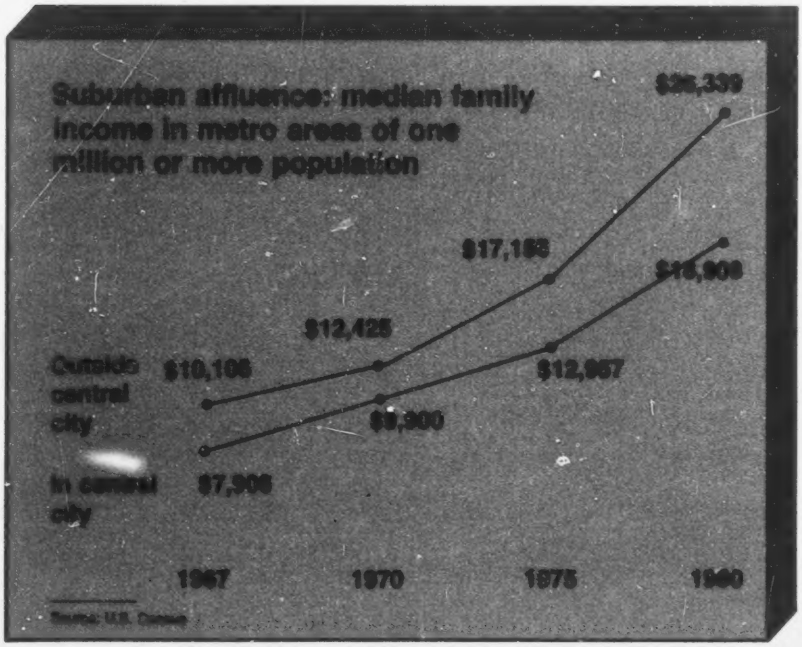
Accompanying that population shift are movements of greater significance: spending power has branched to the suburbs, and subsequently, so have retailers and shopping centers. In addition, urban flight has created distinct lifestyle, political, educational and cultural bases in the suburbs.



Source: U.S. Census

Based on these revenues and growing sources of community news, suburban newspapers are thriving. Suburban newspapers range from weeklies to dailies, free or paid circulation and large or small readership, yet all give the suburban dweller news he can't find elsewhere.

"The white collar exodus from the central city and the subsequent buildup of shopping centers have helped suburban papers gain competitively against metropolitan papers," says Ken Noble, a first vp at Paine Webber, where he studies media trends.



Source: U.S. Census

Few suburban paper advertisers or suburban publishers say that they compete head-on with metropolitan dailies, but metropolitan papers have stepped up suburban coverage. Still, suburban papers' primary strength is their exclusive coverage of community events.

Noble sees the growth of suburban newspapers as one factor in a wider trend occurring in all media.

"Growth of suburban newspapers is one aspect of the increasing segmentation of all media, he says, noting the wide number of special interest magazines and the increasing numbers of book titles as two other examples.

Suburban papers traditionally have been heavy with local advertisers, but national advertiser interest is increasing. And that is not surprising. Several sources show that the suburbs are increasing in population and affluence.

According to the Census Bureau, there has been a 13% increase in suburban population in the last 20 years. The suburbs, defined as that part of the standard metropolitan statistical area outside the central city, are home to 43.4% of the nation, according to 1980 figures.

In addition, the suburban population is decidedly more affluent. In 1980, the median family income in the suburban segments of metropolitan areas with a population of more than 1 million was $26,339. The central city figure is, by comparison, $22,393.

Why nationals use suburban press

The reasons that advertisers use suburban press are varied, according to several marketers contacted by *Decisions:*

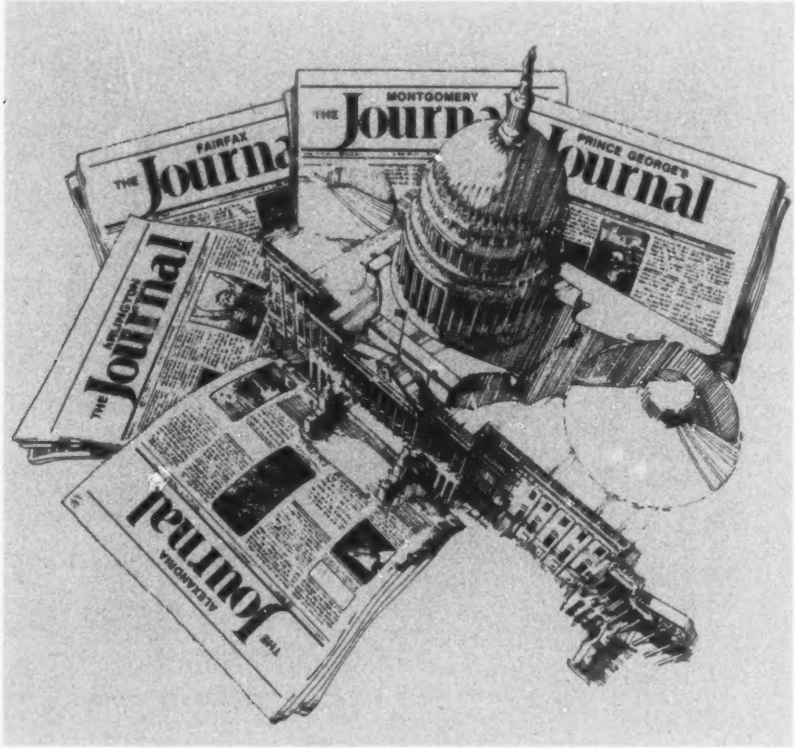
- **They want to reach** affluence.
- **They want to pinpoint** specific sales regions.
- **They want to blanket** entire SMSA's with a combination of metropolitan papers and suburban papers.

Suburban newpapers have been most successful in attracting national food, tobacco and travel-related accounts although they still need to further tap airlines and house and garden advertisers, according to several suburban newspaper publishers.

The amount of national lineage a paper carries is determined by the type of editorial it carries. A suburban newspaper carrying only community news — which may be either free or paid, weekly or daily — often runs fewer national ads than a paid newspaper published in the suburbs which covers the community as well as more wide-ranging news events.

National advertising is about 4% of the total advertising volume of smaller-circulation members of the Suburban Newspapers of America, according to James E. Elsener, its executive director. To qualify as an SNA member, a newspaper can be either free or paid, but must devote at least 25% of its contents to news. The association represents 900 newspapers — 850 weeklies and 50 dailies.

While national advertising is a small percentage of total lineage, Elsener estimates that it has grown 242% in five years.



Courtesy Journal Newspapers

The Journal Newspapers, which surround the capitol city, are publishing daily since the *Washington Star* folded.

The percentage of national advertising is almost four times as high for suburban newspapers more closely resembling metropolitan newspapers in their news treatment, according to several publishers of these papers. These papers usually are published in the larger metropolitan areas where suburban sprawl give them a wide distribution area and offers enough news to justify daily coverage.

Also beginning to pick up national advertising are shoppers, which carry only advertising.

The National Association of Advertising Publishers, which represents shoppers, has not been pushing for national advertising, according to James Pearson, its executive vp. But recently the NAAP, in conjunction with Goodway Marketing in Philadelphia, placed 228,000 McDonalds inserts with 23 free papers in the Midwest. NAAP also has handled other large national advertisers including Masonite, Sears and Penney.

The NAAP represents both shoppers and free circulation community newspapers, and counts 700 papers as members for a total circulation of 18 million.

USSPI a major factor

A key reason national advertiser interest in suburban papers is growing is that the buy has become easier to handle. Credit goes largely to US Suburban Press, which has united 1,100 newspapers as a package to be sold either on multi-market or national levels. USSPI now represents both dailies and weeklies for a combined circulation of over 13 million in 45 markets, an increase from 30 markets with a circulation of over 8 million when the organization was founded in 1971.

That year, USSPI sold 763,294 lines of national advertisng into the markets it represented, according to James Thavis, vp-sales and marketing at USSPI. In 1981, it sold 48 million lines of advertisng in its 45 markets.

In addition, suburban newspapers have overcome two of the largest stumbling blocks in attracting national advertisers: that free papers are not being delivered and that they are not being read when they do arrive.

Since 1977, USSPI has required circulation audits from its members. Since the Audit Bureau of Circulation does not report on free papers, the Verified Audit of Circulation and the Certified Audit of Circulation, two independent companies specializing in auditing free circulation papers, have been auditing membership. NAAP says that by the end of 1980, some 47% of its membership was audited either by VAC or CAC.

The second concern, that these newspapers are not being read, has been reduced by USSPI's recent sponsorship of a national readership survey, conducted by Simmons Market Research Bureau (SMRB).

Simmons surveyed a sample of 2,129 adults aged 18 or older in 15 markets, representative of all USSPI major metropolitan markets. From December 1980 to January 1981, SMRB surveyed the newspaper readership, researching reading habits in the past 24 hours for dailies and the last seven days for weeklies.

USSPI finds that its papers have 2.48 readers per copy; that 66% read the paper the first day, 94% within two days; and 57.9% say these papers do a better job than their metropolitan dailies in covering community news and events.

The study also helped confirm some positive demographic characteristics, finding that USSPI readers are more highly educated, have higher personal and household income and higher product usage levels than the national average.

Of the suburban newspaper audience, according to the study, 35.6% have attended or graduated college. Nearly one-half of the households boast incomes of $25,000 per year and more than a quarter list annual household incomes of $35,000 or more.

Compared with national averages, a higher percentage of USSPI readers own two or more cars. Other consumer products such as microwave ovens, lawn fertilizers, snow blowers and movie cameras are owned by a larger percentage of the suburban newspaper audience than the national average.

An additional step the suburban newspapers have taken to elicit more national advertising is the implementation of standard ad units for its 1,100 newspapers. The system simplifies the national buy by standardizing sizes of ads to 25 individual ad sizes for newspapers of any format or page size and 16 sizes for tabloids.

While the increase in national advertising is one sign of the suburban papers' greater strength, suburban papers increasingly are gaining sophistication.

Trends: greater frequency, broader coverage

Journal Newspapers, which owns a chain of five suburban newspapers in Washington, D.C., recently went from weekly to daily frequency, spurred by the folding of the Washington *Star*. The Journal Newspapers have picked up 10,000 readers since the *Star's* demise, according to Geoffrey Edwards, publisher of Journal Newspapers. His papers circle the capitol, including the Alexandria, Arlington and Fairfax Journals and the Montgomery and Prince George's Journals in Maryland.

Another chain of suburban newspapers, the Fournier Newspapers in Seattle, has gradually increased its frequency, moving to four times a week in 1978 and to daily publication the following year. The papers, which include the *Daily Record Chronicle* in Renton, the *Daily News-Journal* in Kent and the *Daily Globe-News* in Auburn, reach 100,000 readers in the Seattle market, with almost half of its circulation paid although it distributes a controlled circulation edition on Wednesdays and Saturdays.

There is also a trend among suburban newspapers to expand editorial coverage beyond their communities. The *Daily Herald*, published by Paddock Publications in Chicago, is trying to become a full-service newspaper for its nearly 60,000 paid readers in the area. Paddock uses both AP and UPI, and has added coverage of television, travel and state politics.

Like the *Daily Herald*, the *Contra Costa Times*, a 112,000 controlled-circulation daily to the east of San Francisco, also is trying to establish itself as the only newspaper its readers will ever need. The *Times* owned by Lesher Newspapers and published in Walnut Creek, California, is known throughout the trade for the quality of its special sections. The sections are keyed to areas attractive to advertisers, such as fashion, food, home and garden, automotive and real estate. The paper also is known for its general editorial strength; it has won several state awards competing against the state's larger metropolitan papers.

Not all changes are seen as positive ones. A drive to convert free to paid circulation can demonstrate to a national advertiser the extent of the reader's interest in the paper, but can also mean that the paper may lose circulation in the switch, and national advertiser interest may wane because of lower penetration.

Newspaper chains moving into suburbs

The overall strength of suburban newspapers has caught the attention of media conglomerates who are buying up these papers.

Hearst Newspapers recently purchased 28 free community weeklies in the Los Angeles market to sell as a package in conjunction with its *Herald Examiner*. The buy increases the *Herald Examiner's* reach by 400,000, according to John Lang, president of Hearst Newspaper Sales.

"This is an approach that nobody else has tried. We have high hopes for it as a marketing vehicle. There's a very great interest in it from national advertisers because it's a new concept. But we have not yet pinned it down as a sales vehicle," Lang says.

"There are so many entities in the Los Angeles market. This kind of arrangement could help national advertisers crystallize their buy with a one-order, one-bill that helps them get their reach up," he noted.

Long distance owners are many and their ranks are growing rapidly. San Antonio-based Harte-Hanks has added 35 non-daily papers to its roster since 1972, including free, paid and voluntary paid weekly newspapers and free weekly shoppers. Most of these are in the suburban areas of San Diego, San Francisco, and Tucson.

Harte-Hanks president Robert Marbut notes that his company is interested in suburban markets where there are competitive properties. Of particular interest are shoppers, which he said he believes will be at "the cutting edge of the future of print communication."

Several USSPI members have been bought by large media companies. Of its 1,100 newspapers, 24 have been bought by media conglomerates within the last year. Of concern to independent publishers, which many USSPI papers are owned by, is that national media giants will hurt their reputation by failing to place enough value on suburban news.

Advertiser point of view

Numerous national advertisers explained in interviews how they use suburban newspapers, shoppers and free community newspapers.

One primary reason shoppers are picking up national advertisers is that they reach virtually every household in the area. These shoppers act as a delivery tool.

"We've used shoppers in some markets and we are surprised by how effective they are . . . Sears would like to have a good 80% market penetration. Large metros are lucky if they get 50% penetration," says Robert G. Kissel, national retail advertising manager at Sears, Roebuck & Co.

Jim Boynton, manager of media planning at J.C. Penney, echoes Kissel: "For saturation coverage, many

Penney stores use Pennysavers and other free-circulation newspapers where daily and weekly newspapers' circulation is not adequate.

In addition, national advertisers say they use shoppers because their readers are more likely to be in a shopping mood.

A guiding rule for many advertisers is to add suburban papers only when the metropolitan paper's penetration dips too low. For example, one advertising category illustrating this rule is tobacco. It is one of the heaviest supporters of suburban newspapers; among their primary goals is reach.

Brown & Williamson began advertising in the suburban newspapers in 1978 and is now an "extremely heavy supporter of the medium for all its brands," according to director of marketing services, Tom Neville.

But Neville points out that these papers are used in conjunction with metro dailies — not in place of them.

Mobil Oil and Kimberly Clark use suburban papers because their products sell better in the suburbs.

The incidence of car ownership is a factor in deciding strategy for two of Mobil's products, motor oil and gasoline. The oil company has been one of the first and largest supporters of suburban newspapers because car ownership is higher in the suburbs, particularly suburbs of large metropolitan areas, according to Joe Landy, Mobil's advertising manager.

The number of households and the number of bathrooms per household helps to guide media buying for Kimberly Clark, according to the company's media analyst David A. Slavick. That's because some of KC's products — decorative bathroom tissues, for example, sell better in the suburbs where the large families and abundant bathrooms are found.

Many suburban publishers agreed that they still have to demonstrate their worth to advertiser categories such as house and garden supplies that should be advertising in the suburban press, but don't, they complain.

Airline ad volume should also be greater, they say. What is hurting publishers in this category is a misconception that suburban newspapers are read only by women. Because male business travelers are often the airline media target, airlines have not advertised heavily in suburban papers.

However, Eastern Airlines is a strong supporter of suburban newspapers, running ads in these papers on the recommendations of local sales managers, according to Bob Wolf, manager of advertising services.

Suburban Trib

Lake water plan stirs opposition

Buttoning up

Elk Grove coach makes it clear — tried 'n true strategy is the best

Sports, back page

Exercising the demon of the computer age is a time-consuming task

1st step granted senior center

Like many other metro dailies, the Chicago *Tribune* is issuing a special edition that reaches only the paper's suburban readers.

"The suburban papers answer a different need than the inner city paper," Wolf says. "They cover what's around the corner and down the street."

One of the difficulties in analyzing suburban newspapers is that there are so many definitions and categories among the papers.

Aside from traditional suburban press, there are a number of unique, sometimes hybrid markets.

In the New York metropolitan area, a suburban newspaper generally means a paid daily newspaper published in the suburbs but not limited in its editorial coverage to suburban news.

Examples are the Bergen *Record*, *Newsday*, Newark *Star Ledger* and the *Westchester-Rockland* chain.

These papers compete with the inner city dailies for national advertising, beating them in a few categories, such as national food advertising.

Corporate flight to the suburbs

One demographic trend helping these papers gain strength is that many suburbs are attracting corporate headquarters. More suburbanites now also work in the suburbs, making it more likely that they may read only the suburban newspaper.

Gannett's Westchester Rockland chain north of New York City profits from the trend. Westchester County is the second largest home for corporate headquarters outside of New York City. Gannett's research shows that 60% of professionals and executives who live in the county also work there.

According to Elliott Eakin, promotion and research director, two-thirds of the Westchester-Rockland group of daily suburban readers do not read a New York City daily newspaper.

The New York suburban papers position themselves as necessary supplements to the city newspapers, emphasizing the affluence of their market, their exclusive adult readers and their coverage of the area.

In Chicago, most suburban newspapers are weeklies, although there is a mixture of semi-weeklies and dailies. Controlled and paid circulation both are common, but the majority of readership is paid.

Chief among the many groups of newspapers reaching the Chicago market in circulation are the Time Inc. owned Pioneer Press, reaching 142,037 in circulation, most of it paid; the Paddock Pulications' *Daily Herald* with nearly 60,000 paid subscribers and Lerner Newspapers' total of 368,223 readers, 243,320 non-paid and 124,903 paid.

Battle for the St. Louis suburbs

The St. Louis market is unique. There, two suburban newspaper publishers have joined forces for a total free circulation of 900,000, a higher circulation than the two major metropolitan dailies — the *Post-Dispatch* and the *Globe-Democrat* — combined. These two combined have a 500,000 circulation.

Suburban Newspapers of St. Louis represents the 26 controlled circulation weeklies that have been combined. These suburban papers have attracted national advertising because of their broad market penetration.

According to a Simmons study

comparing penetration of competing papers in the area, the Suburban Newspapers have a 65.7% penetration compared to the *Post's* 35.7% and the *Globe-Democrat's* 34.1%.

National advertising accounts for about 10% of the total amount of advertising lineage in the suburban newspapers, according to Charles F. Shiels III, advertising director. He claims that this group of papers carries more automotive, food and real estate ads mid-week than do its big city competitors.

Even *Post-Dispatch* and *Globe-Democrat* managers admit that this group outsells them in certain categories of advertising.

"It's a competitive situation. They have advertising that we would like to be getting," says assistant marketing director of the metro dailies, Ian Cohen. The suburban's weekly distribution is greater.

"They are more flexible to buy because an advertiser can zone his ads to buy around their own stores," he adds.

"But when it comes to national advertisers, they prefer us two to one because our circulation is paid," Cohen noted.

Stepped-up competition from downtown

While suburban newspapers are gaining sophistication, credibility and national advertising as an offshoot of those gains, the metropolitan dailies' own recognition of the suburban readers and advertisers cannot be ignored.

The New York *Times*, which began publishing special sections for suburban readers in 1971 in Westchester County, New Jersey, Long Island and Connecticut in its Sunday editions, also sells that suburban readership on a zoned basis.

Lineage in the suburban editions has climbed from 2 million lines in 1971 to 12 million lines ten years later, although those figures reflect national, regional and local advertising, according to Walter Campbell, suburban advertising director.

In Chicago, both the *Sun-Times* and the *Tribune*, devote special attention to the suburbs. The *Sun-Times* distributes weekly a separate publication, the *Suburban Sun-Times*, issued with the daily in the suburbs.

> **"The suburban papers have ads that we would like to be getting."**

Its counterpart, the *Suburban Trib*, is distributed four times a week in the city's northwest suburbs, and three times weekly in other suburban areas. The *Tribune* also is experimenting with a suburban Sunday edition in a market distant from the city, the Fox Valley.

Even though the *Suburban Trib* is viewed as one of the most aggressive metropolitan papers in its coverage of suburbs, the *Tribune* has recently increased that coverage further.

Local, state and suburban news formerly competed with national and international news for space in the paper. But under the direction of a new editor and executive vp, Jim Squires, the paper is placing a minimum on news about the surrounding areas.

For city dwellers, the *Tribune* is producing a section heavy on city news but including expanded coverage of the suburbs and the state. Suburban newspaper readers get another section, this one tailoring the local news to the specific community.

Starting next fall, both the daily *Tribune* and the *Suburban Tribune* will be printed at the company's new printing facility. This could mean that the *Suburban Trib*, which has been treated as an autonomous operation with separate staff for writing and selling advertising space, could be melded with the parent. Reportedly, the *Tribune* could then offer national and regional advertisers more zoned editions and greater possibilities for target marketing.

Although Squires says the *Tribune Cos.'* commitment to quality suburban coverage is strong, he notes that one of the company's main goals — increased zoned coverage of local news — is only being realized now.

"This tremendous flexibility is one of our main goals. We want to be able to target market more demographically and geographically," he says.

More metropolitan newspapers may share these goals as more suburban newspapers tread on ground that was once exclusive metropolitan territory.

Rebecca Fannin

Double or nothing?

Saving money these days is difficult for most everyone. But there is a plan guaranteed to build your savings. Even for those who can't seem to ever save a cent. Buying U.S. Savings Bonds through the Payroll Savings Plan.

The amount you'd like to save is taken out automatically. When you accumulate the purchase price, you get a Bond. A $50 Bond costs only $25. Or a $100 Bond costs only $50. Whatever the amount, you'll double your money if you hold the Bond to maturity.

Remember, you can double your money for sure or put off saving and do nothing. Double or nothing.

Take stock in America.

UNITED STATES SAVINGS BONDS

When you put part of your savings into U.S. Savings Bonds you're helping to build a brighter future for your country and for yourself.

Ad Council A public service of this publication and The Advertising Council.

Newspaper circulation in top 15 mkts.

Suburbia — It's that land of "silk and money" that lies *somewhere* between the incorporated city limits and the start of the rural ring.

It is variously defined: Who is to say where "city" ends and "suburbia" begins? Or where suburbia ends and "exurbia" (formerly rural) begins? As "urbia" extends, so does "suburbia." It continues to make inroads into "exurbia." Available space, and an inevitably lower tax burden, places people into a geographical location that defies official geo-limitations and moves them into areas once considered rural.

Some newspapers choose to report on a "Primary Market Area" plus "Other" (which circumvents reporting the "City Zone"). Others choose to report "City Zone" plus "Retail Trading Zone" plus "Other." This allowance for individual options makes it difficult to draw absolute comparisons between newspapers serving a market.

In the tables that follow we have used a middle-of-the-road definition of "suburban" circulation of newspapers serving the top 15 metropolitan markets. Using the audit services' data (where available) we define the total circulation of a newspaper published outside the core city as "suburban." This inflates the picture by those few subscribers who left "home" and ordered a sub to be sent to their "retirement or other new home."

For the "core city" publishers — the "center city" papers, the "major metropolitan area" publishers — we opted to eliminate the "other" circulation as well as what they defined as "City Zone" from the total and label what lies in between as "Suburban." Sometimes it was necessary to use "Corporate City" instead of "City Zone." For some papers we secured a reasonable figure from the papers themselves.

Our purpose is to offer a directory and guide to circulation of newspapers that are distributed in the area between the "city" and "rural areas."

New York (SCSA)

Center city newspapers

	Suburban circ.
(New York) Daily News (M) Zoned editions include: Westchester, Fairfield, Nassau-Suffolk, Staten Island, Full Jersey, North Jersey (Sun.), Central Jersey (Sun.).	417,568
New York Times (M) Zoned editions include: Westchester/Conn. (Wed.), Long Island (Nassau-Suffolk) (Wed.), N.J., Richmond, Rockland, Orange Counties.	347,576
New York Post (AD)	93,069

Suburban groups

	Total circ.
Drukker Newspapers (E) (Includes: Dover Advance, Passaic Herald-News)	82,456
Fairfield County Dailies (M/E) Includes: Norwalk Hour (E), Stamford Advocate (E), Bridgeport Post/Telegram (M/E), Greenwich Time (E).	157,594
Jersey 2 (E) Includes: New Brunswick Home News, Perth Amboy News Tribune, Bridgewater Courier-News.	170,192
Northern New Jersey Newspaper Network (M/E) Includes: Elizabeth Journal (E), Morristown Record (E), Newton Herald (E), Paterson News (M), Union City Dispatch (M).	204,019
UNYT (M/E) Includes: Newark Star-Ledger (M), Jersey Journal (E), Staten Island Advance (E).	543,300
Westchester-Rockland Newspapers (M/E) Includes 11 daily newspapers	222,519
USSPI — Suburban New York (dly. & wkly.) Includes Ocean County Times Observer (M) and 122 weeklies.	1,436,706
USSPI — Nassau-Suffolk (wkly.) Includes: 17 weeklies also included in Suburban New York group.	192,418
USSPI — Suburban New Jersey North (dly. & wkly.) Includes: Ocean City Times Observer and 98 weeklies.	1,147,133

Other suburban newspapers (non-group)

	Total circ.
Asbury Park Press (E)	109,313
(Bergen County) The Record (E)	149,593
Long Island Newsday (E)	503,336
Mount Kisco Patent Trader (AD)	11,845
Red Bank Register (E)	30,706

Los Angeles (SCSA)

Center city newspapers

	Suburban circ.
Los Angeles Herald Examiner (E) Zoned editions include: San Fernando, San Gabriel, South Bay, Westside and Vegas (Vegas editorial to upper-income areas).	106,943
Los Angeles Journal (M)	13,787
Los Angeles Times (M) Zoned editions include: Glendale-Burbank (Sun.), South Bay (Th.), San Fernando Valley (Th.), San Gabriel Valley (Th.), Orange Co. N. (Th.), Orange Co. S. (Th.), Southeast (Th.), Westside (Th.), San Diego County	755,576

Suburban groups

	Total circ.
CLAN Group (E) Includes: Burbank Review, Glendale News Press, Torrance Breeze, San Pedro News-Pilot.	122,953
Orange County Metro Group Includes: Anaheim Bulletin (AD), La Habra-Breq Star-Progress (E), Santa Ana Register (AD).	253,211
PSI Group (E) Includes: Palm Springs Desert News, Indio News.	33,448

Southeast Los Angeles County Group (E) Includes: Southeast News & Downey Champion, Huntington Park Signal, Whittier News.	33,803
Hi-Desert Group (E) Includes: Barstow Desert Dispatch, Lancaster Antelope Valley Ledger-Gazette, Victorville Victor Valley Press.	30,381
USSPI — Suburban Anaheim-Santa Ana (dly. & wkly.) Includes: Fullerton News Tribune, Sun Post and 19 weeklies.	425,750
USSPI — Suburban Los Angeles (dly. & wkly.) Includes: Santa Monica Outlook, San Gabriel Valley Tribune and 52 weeklies.	1,032,473

Other suburban newspapers (non-group)

	Total circ.
Banning-Beaumont Record Gazetta (E)	3,605
Camarillo News (M)	9,707
Corona Independent (E)	6,576
(Costa Mesa) Orange Coast Pilot (E)	41,409
Fontana Herald-News (E)	4,054
Long Beach Press-Telegram (M/E)	137,133
Los Angeles Daily News (M)	198,176
Ontario Report (E)	83,403
Oxnard Press-Courier	19,536
Pasadena Star News (AD)	48,952
Pomona Progress Bulletin (M/E)	41,966
Redlands Facts (E)	8,432
Riverside Press/Enterprise (M/E)	105,562
San Bernardino Sun (M)	79,420
Santa Paula Chronicle (E)	3,081
Simi Valley Enterprise (E)	13,106
Thousand Oaks News-Chronicle (E)	20,232
Ventura County Star-Free Press (E)	40,126

Chicago (SCSA)

Center city newspapers

	Suburban circ.
Chicago Calumet (E)	8,648
Chicago Sun-Times (M) Suburban Sun-Times (Fri.), North Zone, West Zone, Southwest Zone, Southeast Zone.	266,770
Chicago Tribune (AD) Suburban Tribune: Zones include — So. DuPage, No. DuPage, West Cook, N.W. Cook, Far N.W. Cook, So. Cook, S.W. Cook	420,325
(Chicago) Defender	898

Suburban groups

	Total circ.
Greater Chicago Newspapers (E) Includes: Aurora Beacon-News, Elgin Courier-News, Joliet Herald News, Wheaton Journal.	133,877
The Daily Herald (Paddock) (M/wkly.) Includes: Arlington Heights Herald, Buffalo Grove Herald, Des Plaines Herald, Elk Grove Herald, Mt. Prospect Herald, Palatine Herald, Rolling Meadows Herald, Wheeling Herald, Streamwood/Hanover Park/Bartlett Herald and seven weeklies	66,576
Southtown Economist Newspapers Includes 22 daily, semi-weekly and weekly newspapers	246,000
USSPI — Suburban Chicago (dly. & wkly.) Includes Paddock group of nine dailies and seven weeklies, the Southtown Economist group and 78 other weeklies.	748,964

Other suburban newspapers (non-group) (Illinois section)

	Total circ.
Crystal Lake Herald (E)	8,462
Waukegan News-Sun (E)	43,213
Woodstock Sentinel (E)	7,918
(Indiana section)	
Chestertown Tribune (E)	4,309
Gary Post-Tribune/Hammond Times (E)	148,017
Valpariso Vidette-Messenger (E)	15,320

Philadelphia (SCSA)

Center city newspapers

	Suburban circ.
Philadelphia Bulletin (E) Zoned editions include: Suburban West News, Suburban North-Northeast News, and New Jersey section.	191,072
Philadelphia Inquirer (M) Zoned editions include: New Jersey, Northwest, Northeast.	218,573
Philadelphia News (E)	44,706
Inquirer-News (M/E)	263,279
Philadelphia Journal	46,973

Suburban groups

	Total circ.
Bucks-Burlington Group (E) Includes: Doylestown Intelligencer, Levittown Bucks County Courier Times, Willingsboro (N.J.) Burlington County Times.	134,694
Suburban Philadelphia Area Newspapers (SPAN) (E) Includes: Chester Delaware County Times, Coatesville Record, Doylestown Intelligencer, Lansdale North Penn Reporter, Levittown Bucks County Courier Times, Norristown Times Herald, Phoenixville Phoenix, Pottstown Mercury, Quakertown Free Press, West Chester Local News, Willingsboro (N.J.) Burlington County Times, Woodbury (N.J.) Gloucester Times.	338,457
Southern New Jersey Newspaper Network Philadelphia SCSA units include: Salem Today's Sunbeam, Trenton Trentonian, Woodbury Gloucester County Times.	
USSPI — Suburban Philadelphia (dly. & wkly.) Includes: Hatsboro Today's Spirit, King of Prussia Today's Post, Salem Today's Sunbeam, Quakertown Free Press, Gloucester County Times and 44 weeklies.	523,232

Other suburban newspapers (non-group)

	Total circ.
Camden Courier Post (E)	119,879
Trenton Times (E)	65,266
Wilmington (Del.) News/Journal (M/E)	128,262

San Francisco (SCSA)

Center city newspapers

	Suburban circ.
San Francisco Chronicle (M)	283,717
San Francisco Examiner (E)	57,180
Chronicle-Examiner (M/E)	340,897

Suburban groups

	Total circ.
Alameda County Bay Sparks Group (M/E & wkly.) Includes: Fremont Argus (M), Hayward Review (E), Livermore Tri-Valley Herald (M) and one tri-weekly.	112,263
Contra Costa County Group (M/E) Includes: Antioch Ledger (E), Pittsburg Post Dispatch (E), Pleasanton Times (M), Walnut Creek Contra Costa Times (M)	166,294
Golden Gate Suburban Group Includes: San Mateo Times & News Leader (E), Marin County Independent-Journal (E), Hayward Review (E), Fremont-Newark Argus (M), Livermore Tri-Valley Herald (M)	174,334
USSPI — Suburban San Francisco (dly. & wkly.) Includes: Antioch Ledger, Walnut Creek Contra Costa Times, Pittsburg Post Dispatch, Pleasanton Times, Hayward Review, Livermore Tri-Valley Herald, Vallejo Times Herald, Richmond Independent & Gazette, Alameda Times Star, Fremont-Newark Argus, Martinez News Gazette and 17 weeklies.	800,308

Other suburban newspapers (non-group)

	Total circ.
Napa Register (E)	20,592

(Palo Alto) The Peninsula Times Tribune (E)	62,574
San Jose Mercury News (M/E)	220,522
Oakland Tribune (E)	134,489
Eastbay Today (M)	71,432
Tribune-Eastbay Today (M/E)	205,926

Detroit (SCSA)

Center city newspapers

	Suburban circ.
Detroit Free Press (M) Zoned editions include: East, Northwest, Southwest.	317,557
Detroit News (AD) Zoned editions include: Metro North, Metro West, Metro East, Metro Detroit.	364,749

Suburban groups

	Total circ.
Detroit Area Newspaper Network (E) Includes: Mt. Clemens Macomb Daily, Royal Oak Tribune.	98,882
USSPI — Suburban Detroit (dly./wkly.) Includes: Mt. Clemens Macomb Daily, Royal Oak Tribune and 48 weeklies.	628,215

Other suburban newspapers

	Total circ.
Ann Arbor News (E) Included in Booth Ann Arbor-Jackson group.	42,632
Pontiac Oakland Press (E)	74,575
Port Huron Times-Herald (E) Included in Gannett Michigan Group.	30,097

Boston (SCSA)

Center city newspapers

	Suburban circ.
The Boston Globe (AD)	136,788
Boston Herald-Examiner (M)	53,313

Suburban groups

	Total circ.
Boston Area Newspaper Dailies (BAND) (E) Includes: Beverly Times, Brockton Enterprise & Times, Concord (N.H.) Monitor, Dedham Transcript, Dover (N.H.) Foster's Democrat, Fitchburg Sentinel-Enterprise, Framingham South Middlesex News, Gloucester Times, Haverhill Gazette, Lawrence Eagle-Tribune, Lowell Sun, Lynn Item, Malden News, Medford Mercury, Melrose News, Milford News, Nashua (N.H.) Telegraph, Newburyport News, Peabody Times, Portsmouth (N.H.) Herald, Quincy Patriot Ledger, Salem News, Waltham News Tribune.	482,483
Essex County Newspapers (E) Includes: Beverly Times, Gloucester Times, Newburyport News, Peabody Times.	37,285
3-M Newspaper Network Includes: Malden Times, Medford Mercury, Melrose News.	16,409
USSPI — Suburban Boston (dly. & wkly.) Includes: Dedham Transcript, Waltham News Tribune, Woburn Times, Lynn Item, Malden News, Medford Mercury, Melrose News, Gloucester Times, Beverly Times, Newburyport News, Salem News and 48 weeklies.	482,483

Other suburban newspapers (non-group)

	Total circ.
Marlboro Enterprise Sun (E)	7,782
Wakefield Item (E)	6,605

Houston (SCSA)

Center city newspapers

	Suburban circ.
Houston Chronicle (AD) Zoned editions include: North, South, Southwest, State.	61,291
Houston Post (M) Zoned editions include: South, Southwest, North.	53,676

Suburban group

	Total circ.
USSPI — Suburban Houston (dly. & wkly.) Includes: Pasadena Citizen, Montgomery County Courier, Banner Press, Brazosport Facts, Texas City Sun, Alvin Sun, Rosenberg Herald Coaster Lake Citizen, Angleton Times, Baytown Sun, Bay City Tribune and 24 weeklies.	547,596

Other suburban newspaper (non-group)

	Total circ.
Galveston News (M)	28,121

Washington, D.C. (SMSA)

Center city newspaper

	Suburban circ.
Washington Post Zoned editions include: Maryland Weekly, Virginia Weekly and District Weekly.	221,387

Suburban group

	Total circ.
USSPI — Suburban Washington (dly. & wkly.) Includes: Woodbridge Potomac News and 13 weeklies.	199,673

Other suburban newspapers (non-group) (All in Virginia)

	Total circ.
Alexandria Gazette (E)	11,825
Arlington Northern Virginia Sun (M)	17,957
Manassas Journal-Messenger (E)	10,801

Dallas-Fort Worth (SMSA)

Center city newspapers

	Suburban circ.
Dallas Morning News (M)	72,950
Dallas Times Herald (AD)	42,101
Fort Worth Star-Telegram (M/E) Zoned editions include: Northeast, Southeast	34,383

Suburban groups

	Total circ.
News-Texan Dallas/Fort Worth Dailies Group (dly. & wkly.) Includes: Arlington News, Garland News, Grand Prairie News, Hurst Mid-Cities News, Irving News, Richardson News and one weekly.	65,656
USSPI — Suburban Dallas (dly. & wkly.) Includes: Arlington News, Garland News, Grand Prairie News, Hurst Mid-Cities News, Irving News, Richardson News, Mesquite News, Terrell Tribune, McKinney Courier Gazette, Lewisville Leader, Colony Leader, Plano Star Courier, Waxahachie Light and 21 weeklies	235,923

Other suburban newspapers (non-group)

	Total circ.
Cleburne Times-Review (E)	8,516
Denton Record-Chronicle (E)	14,790
Weatherford Democrat (E)	5,547

Cleveland (SCSA)

Center city newspapers

	Suburban circ.
Cleveland Plain Dealer (M) Zoned editions include: East Zone, West Zone.	57,499
Cleveland Press (E) Zoned editions include: East Zone, West Zone.	39,121

Suburban groups

	Total circ.
Lorain-Elyria Metro Unit (E) Includes: Elyria Chronicle-Telegram, Lorain Journal (also in Horvitz group.)	79,911
USSPI — Suburban Cleveland Includes 17 weeklies.	279,003

Other suburban newspapers (non-group)

	Total circ.
Akron Beacon Journal (E)	162,607
Chardon Geauga Times Leader (E)	7,149
Kent-Ravenna Record-Courier (E)	26,759
Lake County News-Herald (E) (Included in Horvitz group)	30,969
Medina County Gazette (M)	16,520
Painesville Telegraph (AD)	17,320

Miami (SCSA)

Center city newspapers

	Suburban circ.
Miami Herald (M)	110,638
Miami News (E)	5,395
Herald-News (M/E)	116,033
Miami Review (AD)	462
Zoned editions include: Beaches, North, North & Beaches, East, West.	

Suburban group

	Total circ.
USSPI — Suburban Miami (dly. & wkly.)	400 344
Includes: Boca Raton News (outside SCSA) and 16 weeklies.	

Other suburban newspapers (non-group)

	Total circ.
Fort Lauderdale Sun-Sentinel (M)	81,098
Fort Lauderdale News (E)	99,234
Hollywood Sun-Tattler (E)	37,155
Homestead South Dade News Leader (E)	13,925
Palm Beach News (M)	4,570
West Palm Beach Post (M)	95,474
West Palm Beach Times (E)	29,296

St. Louis (SMSA)

Center city newspapers

	Suburban circ.
St. Louis Countain (M)	347
St. Louis Post-Dispatch (E)	226,349
St. Louis Globe-Democrat (M)	217,465
Post Dispatch-Globe Democrat (M/E)	444,814
Zoned editions include: North, South, West.	
St. Louis Record (M)	76

Suburban group

	Total circ.
USSPI — Suburban St. Louis (wkly.)	806,770
Includes 31 weeklies.	

Other suburban newspapers (non-group)

	Total circ.
Alton (Ill.) Telegraph (M)	37,919
Belleville (Ill.) News-Democrat (E)	41,057
Fetus Democrat-Pilot (M)	—

Pittsburgh (SMSA)

Central city newspapers

	Suburban circ.
Pittsburgh Press (E)	50,579
Zoned editions include: East Zone (Th.), North Zone (W), South Zone (W).	
Pittsburgh Post-Gazette (M)	58,167
Zoned editions include: East Zone (W) North Zone (W), South Zone (W)	
Press/Post-Gazette (M/E)	103,746

Suburban groups

	Total circ.
Pittsburgh Area Major Market (PAMM) (M/E)	251,845
Includes: Beaver County Times, Greensburg Tribune-Review, McKeesport News and (outside SMSA) Butler Eagle, New Castle News, Uniontown Herald-Standard, Washington Observer-Reporter.	
USSPI — Suburban Pittsburgh (dly. & wkly.)	173,061
Includes: Tarentum Valley News Dispatch, Ellwood City Ledger and 15 weeklies.	
Pittsburgh ADI Newspaper Network (M/E)	330,594
Includes: Beaver County Times, Ellwood City Ledger, Greensburg Tribune-Review, Irwin Standard-Observer, Latrobe Bulletin, McKeesport News and (outside the SMSA) Butler Eagle, Indiana Gazzette, Morgantown (W.V.) Dominion Post, New Castle News, Uniontown Herald-Standard, Washington Observer-Reporter.	

Other suburban newspapers (non-group)

	Total circ.
Jeannette News-Dispatch (E)	4,646
Monessen Valley Democrat (E)	14,806
Monongahela Herald (E)	5,871
Vandergrift News-Citizen (E)	2,976

Baltimore (SMSA)

Center city newspapers

	Suburban circ.
(Baltimore) The News American (E)	72,101
Baltimore Record (M)	497
Baltimore Sun (M)	77,872
Zoned editions include: Arundel Sun, Howard Sun.	

Suburban group

	Total circ.
USSPI — Suburban Baltimore	241,993
Includes: Annapolis Capital and 10 weeklies.	

Other suburban newspapers

	Total circ.
Westminster Carroll County Times (M)	19,750
(Included in Mason/Dixon Network)	

QUOTE/UNQUOTE

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The wages of neglect

Agencies which allow their top management to spend more time on internal affairs than on client relationships run the risk of loosing accounts, Graham H. Phillips, executive vp and general manager, Ogilvy & Mather, told the annual meeting of the ANA in San Francisco.

"Despite what you read about why a client fires an agency, the real reason in neglect," he said. "Once a client begins to believe that the agency doesn't really care about his business, the relationship is all but over.

"Clients expect and deserve tha attention to top management on a regular basis despite the fact that managing an agency itself has become a much more complex job. The top 10 agencies in the U.S. have grown into huge organizations with international operations, subsidiary companies and specialist divisions employing thousands of people. Top management's time is easily expended on internal affairs at the expense of important client business.

"Unfortunately, clients probably need more senior management involvement rather than less at this time because their business is generally more difficult to manage, too, and more hands are required at the pumps. Compounding the issue is that agency personnel at the middle management level are now generally less experienced than their client opposite numbers which creates a greater need for more senior people to be actively involved."

Phillips does have some recommendations on how to solve or avoid the problem: "The first step is to have management depth in an agency, an organization where clients do not have to be dependent on just one or two people at the top for expert advice. Instead, you must have a sufficient number of talented people who hold senior positions at the agency who have the time and experience to deal with clients.

MARKETING & MEDIA

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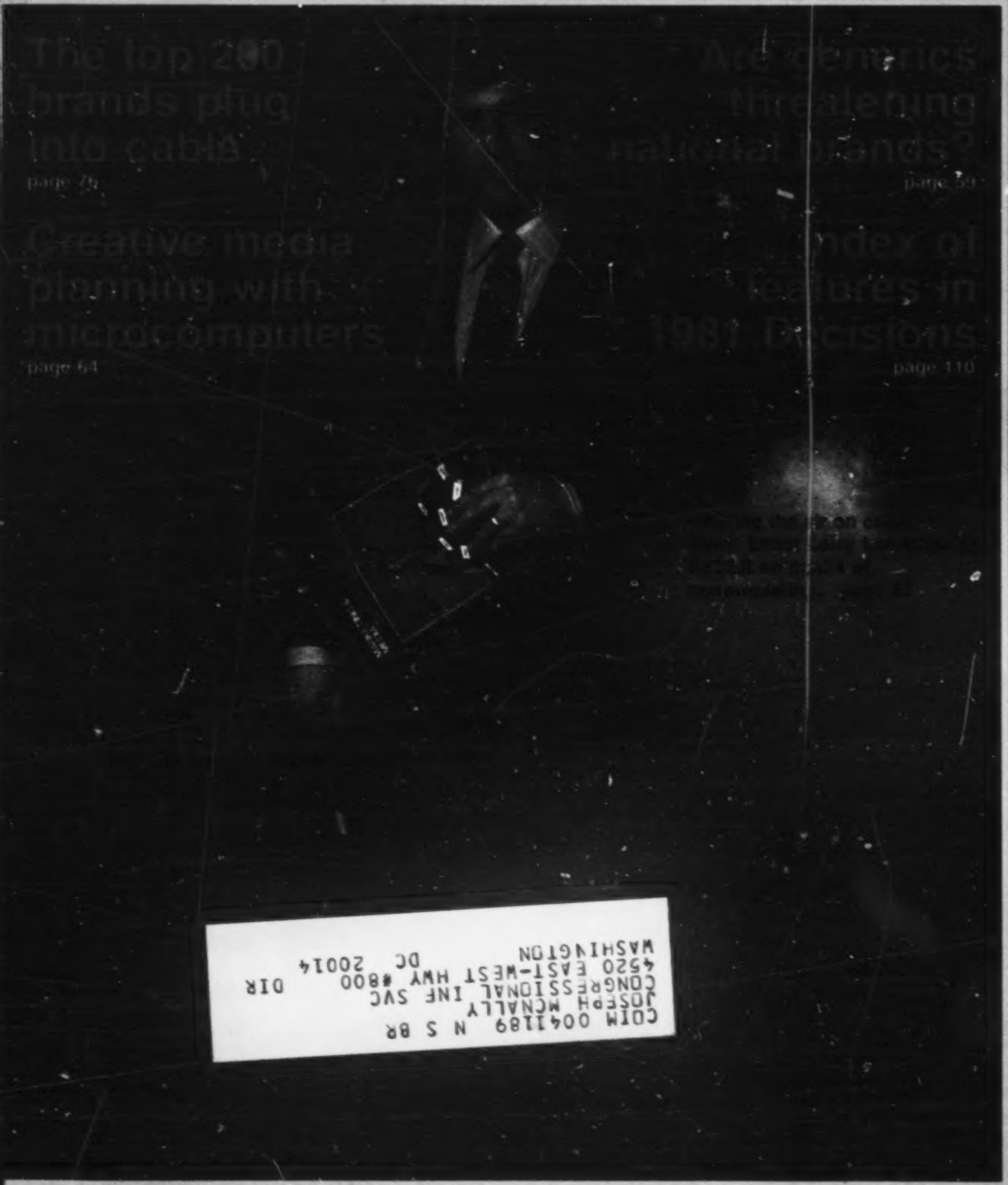

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Are generics threatening national brands?

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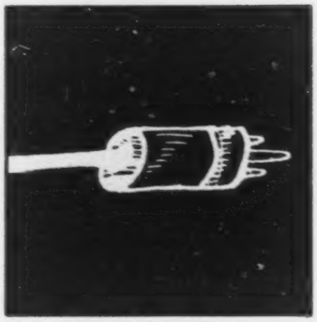

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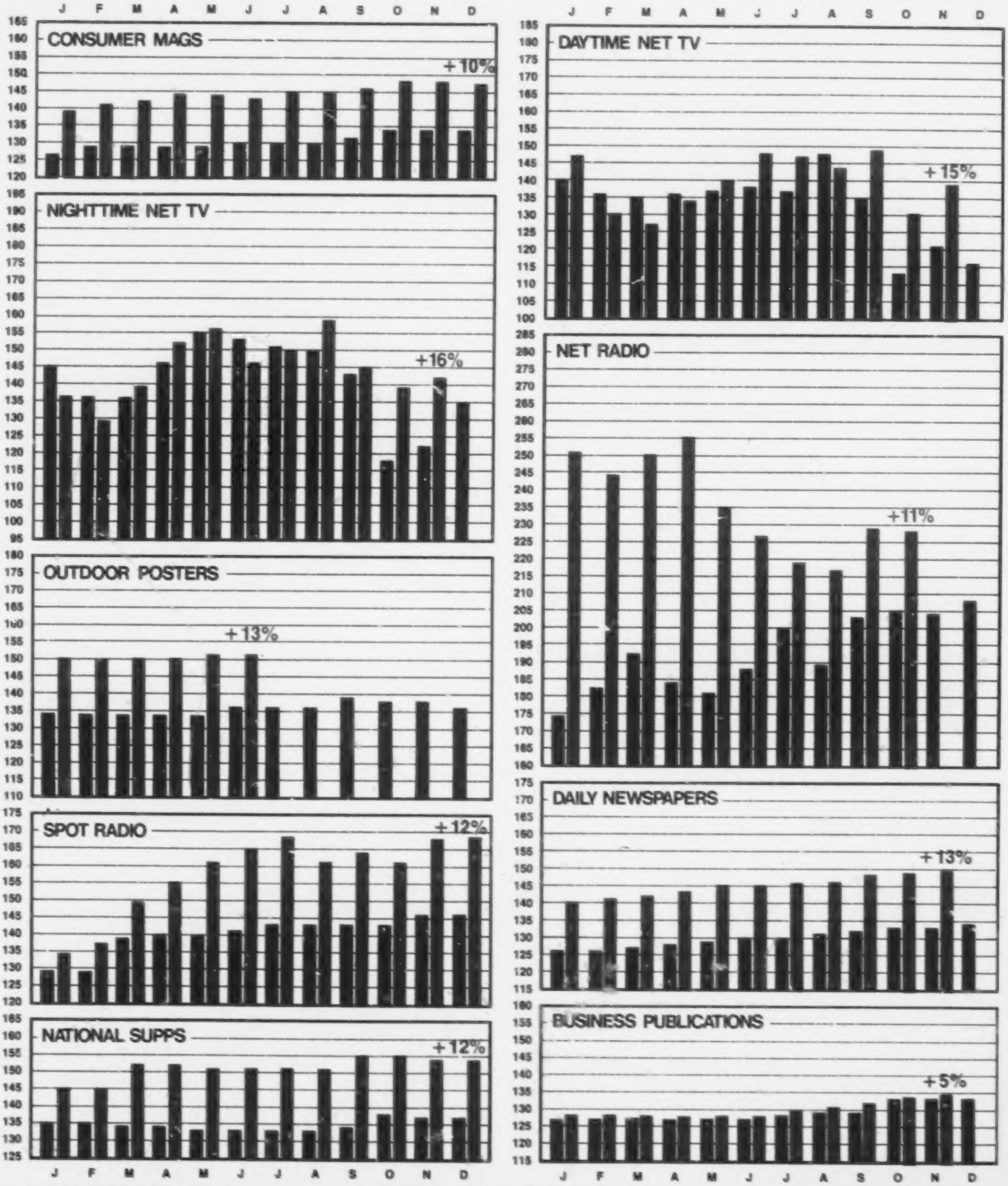
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page,

COST TRENDS
a Decisions analysis

1981 was a good year for radio prices from the seller's point of view. In the first half year network radio showed considerable strength — and prices ran well ahead of the year before. Prices were still 11% ahead of the same month in 1980 in October, the most recent period shown.

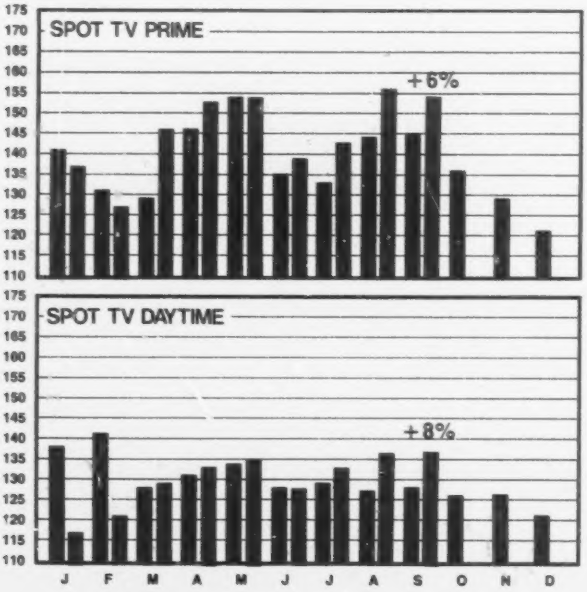
Spot radio was a relatively slow starter in 1981, but was pulled along by the strength in network — and finished the year on a month-by-month comparison 12% ahead of December 1980 in the month of December 1981.

Television patterns in 1981 were almost the exact opposite of those in radio. Both network and spot tv were slow starting, running close to the year before month-by-month in network nighttime tv and network daytime tv through August 1981.

Daytime net tv started picking up in September and nightime net followed in September. Data for November, the most recent month charted, shows daytime prices 15% ahead of the same month in 1980 and nighttime prices were 16% ahead of December 1981.

Daily newspapers continued to price themselves well ahead of 1980. Prices in September were 12% over September 1980, and in October daily newspaper prices were still running 11% ahead of the year previous — as use of newspapers continued to run ahead of the year previous.

Consumer magazines leveled off at 10% of the year previous in October, November, December 1981. At year end, however, new rates pushed the index for January 1982 up to 154 — 11% ahead of January 1981.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

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BOOKDIGEST

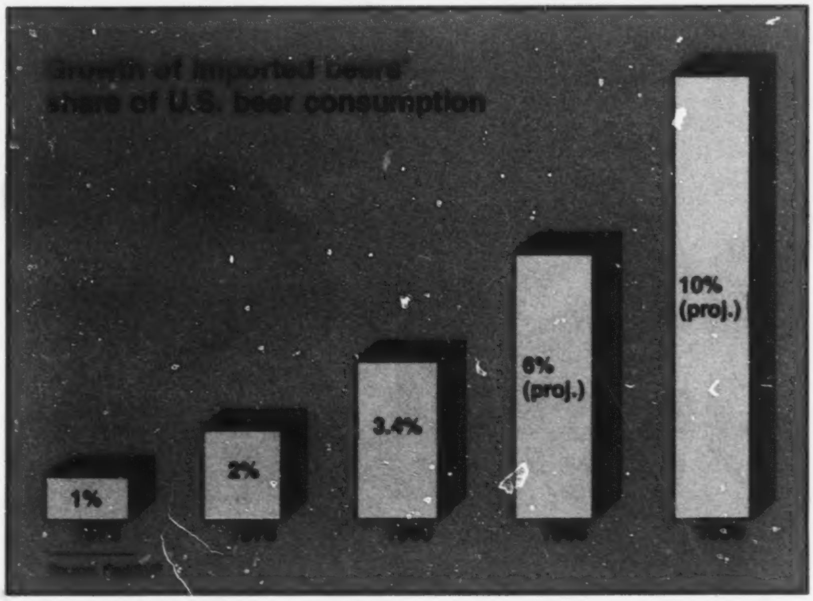
WHAT THE WELL-READ ARE READING.
WHERE THE WELL-ADVISED ARE ADVERTISING.

*SOURCE: Audits & Surveys June 1980 Subscriber Study

FUTURES

Imported beer expected to increase market share

By 1990, 10% of the beer consumed in the U.S. will be imported, a study from Find/SVP, New York predicts. The share of imports has gone from nine tenths of one percent in 1970 to 3.4% in 1981. The report attributes the growing strength of imports to five factors:



- **Increased consumer awareness** of imported beer and receptivity to its upscale appeal, increased advertising, and a rising emphasis on quality that many feel they get only from foreign countries;
- **Niches in the market** which are expanding or are as yet not fully developed, such as new geographic areas.
- **Post World War II baby boom generation** arriving at age when they can buy imports;
- **High profits** from the mark-ups on imports may become even more important to retailers and wholesalers due to inflationary pressures;
- **Novelty** of having many new brands to choose from.

While in 1979 imports had only a 2.6% share of U.S. market, that share accounted for 5.5% of consumer spending on beer.

The Find/SVP report suggests that the imports haven't topped out, but that unsettled economic conditions may limit growth, and that the increased popularity of draft beer (8% a year growth for the past two years) may slow expansion of imports.

However, there is a trend in the domestic beer industry to trade-up from regular or local brands to premium and super premium categories. As prices increase on these quality beers, the gap closes between them and the imports, and Americans, given good economic conditions, show a proclivity to purchase import quality at slightly higher prices. Growth in imports will be uneven on a year-to-year basis.

Research analyst Jim Sears comments: "The future of the import market is optimistic. High profitability will lead large companies with solid financial backing to market seriously over the long run. Long term financial commitment is essential because it takes two to three years to establish a brand after introduction. However, there are opportunities for the small brewer as well. The boutique beer movement is growing, as are the number of importers specializing in marketing these brands."

Real estate from Sears and American Express?

Electronic real estate selling and buying is on the verge of reality through the consolidation of the facilities now owned by Sears — Dean Witter Reynolds, Allstate and Coldwell Banker, according to an analysis in *VideoPrint* newsletter. By integrating the facilities of its own organizations, the analysis argues, Sears can provide one-stop shopping for a home.

According to *VideoPrint*, electronic real estate services as a whole are certain to grow within the decade, becoming most visible at the local level. The time consuming process of setting out criteria for the desired new home can be accomplished through an exchange of information between the client's and agency's computer terminals. The video screen also allows the agent to display floor plans and pictures usually carried in advertising, saving cost for buyers relocating to another state.

VideoPrint predicts that Sears, with experience gained in the AT&T/Knight-Ridder videotex experiment in Coral Gables, Florida, is well on its way to providing a highly successful and lucrative "shop-at-home-for-a-home" service, potentially offering a complete financing and insurance package.

Continued on page 32

CABLESCAN

JWT's estimates for average cable cpm's

Most agency media people say they still look for efficiencies when making a buy on cable, but if recently-released figures are any indication, the estimated cost per thousand households can range from $1.50 to $119 per 30-second spot depending on the programing vehicle.

Developed by Richard Kostyra, senior vp-director of media at J. Walter Thompson in New York, the cost findings (see chart) are based on the rate card price of a 30-second commercial and matched against a 0.6 share of the total subscribing households reached. Most cpm estimates, however, have been based on an exaggerated 1.0 share.

"Other agencies are buying on the assumption of a 1.0 share when we're projecting 0.6," said Kostyra. "Everyone is backing it up with assurances on audience delivery, but what does that mean when the projected audience is almost double what it really is? The people that are buying assurances are buying little more than a warm, comfortable feeling."

According to Kostyra's estimates, Ted Turner's WTBS SuperStation, which reaches 20 million cable households and attracts an estimated audience of 500,000 plus households, holds the lowest cost per thousand households rate at $1.50 to $3.50.

At the other end of the spectrum is Hearst/ABC Video Enterprises' upcoming Daytime women's information programing. The $1,000 per 30-second spot ticket price from Daytime, according to Kostyra, breaks down to $119 per thousand households.

"Obviously, Daytime is a qualitative buy," said Kostyra. "The actual efficiency is determined by your interpretation of the qualitative value of the program's target audience."

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J. Walter Thompson cable cost per thousand households estimates

Programing Vehicle	Type of Programing	Subscribers (000)	% of U.S. Penetration	Cost per 30 seconds	Avg. HH Audience	Avg. Cost per 1,000 Households
ARTS	Cultural	6,000	7.4%	$1,250	12,000	$104.00
BET	Black sports, variety	8,300	10.2	750	31,000	23.80/:60
CNN	Live news	9,900	12.1	200-650 (incl. CNN2)	100,000 140,000	2.00-$4.50
CNN2	30-min. news cycle	1,000	1.2	50	10	5.00
CBS Cable	Mostly cultural	4,500	5.5	1,500/:60	9,000	167.60/:60
CBN	Religious & family	14,900	18.0	730-1,000	75,000	11.35
Daytime	Women's info	4,200	5.2	1,000	8,400	119.00
ESPN	Sports	13,500	16.6	200-1,000	100,000	7.00
MSN	Non-fictional	4,200	5.2	125-250	8,400	20.80
MTV	Rock music-video	3,000	3.7	350	30,000	11.67
SPN	How-to, info & movies	4,000	4.9	25-250	8,000	12.50
SIN	Various Spanish	3,621	4.6	400-5,500	519,000	4.40
Telefrance	Bilingual cultural	8,000	9.8	600	16,000	37.50
USA	Sports, child, women	10,000	12.3	450-1,200	60,000-200,000	7.50-$6.00
UTV	Viewer participates	3,000	3.7	300-1,250	30,000	17.00
WTBS	SuperStation	20,000	24.5	600-2,350	520,000	1.50-$3.50

Key to abbreviations:

ARTS: Alpha Repertory Television Service, from Hearst/ABC Video Enterprises and sharing Warner-Amex's Nickelodeon transponder.
BET: Black Entertainment Network
CNN: Cable News Network, owned by Turner Broadcasting.
CNN 2: 30-minute cycle of news headlines, also from Turner and set for launch in January 1982.
CBN: Christian Broadcasting Network
ESPN: Entertainment and Sports Programing Network
MSN: Modern Satellite Network
MTV: The Music Channel, from Warner-Amex.
SPN: Satellite Program Network
SIN: Spanish International Network
USA: USA Cable Network

CABLESCAN

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In making such qualitative judgements, Kostyra warned against the problems of promotion and narrowcast programs that are cast too narrowly.

"In order to get me to watch a program," Kostyra said, "you have to tell me that it's there. How am I supposed to find it? There still is not an effective programing guide that combines cable and regular broadcast listings and uses program description blurbs that have some zing to them.

"It's also hard to reach me by advertising a program on the same or another cable service. Until I become a regular viewer of, say, USA Network, you can't use USA to promote your program to me. It doesn't make sense. Satellite listings should be easy to handle."

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Echoing other media directors who have deserted the term "narrowcasting" in favor of the more accurate term "special interest programing," Kostyra likened the concept of narrowcasting to "being invited to speak to a group of experts. On what level do you speak to them?"

"Will a sailing show attract sailors as viewers?" asked Kostyra. "They already know how to tie a knot. The program then either has to talk down to the audience, becoming oversimplified and offering the viewer information he already knows, or it must become lofty and talk up at the viewer."

"The narrower the narrowcasting, the more obscure the time period the show will appear in. You won't find a narrowcast program repeated in primetime."

Kostyra also foresaw advertiser support for pay cable services, such as Home Box Office, as early as 1985.

"Right now the pay services' first concern is developing a subscriber base," said Kostyra. "But that will change as the demand for ever increasing profits starts to be felt. HBO, for instance, is no longer advertising itself as commerical free. Their promotions say their movies and programs are 'uninterrupted.' And with the longer movies, they have started to include intermissions.

"They will reach a saturation point with their subscriber base, and it is then that they will slowly turn to advertising to fill the void. They will also be a most powerful advertising vehicle."

A spokeswoman for HBO vehemently denied that the pay service is now or would ever consider becoming ad supported.

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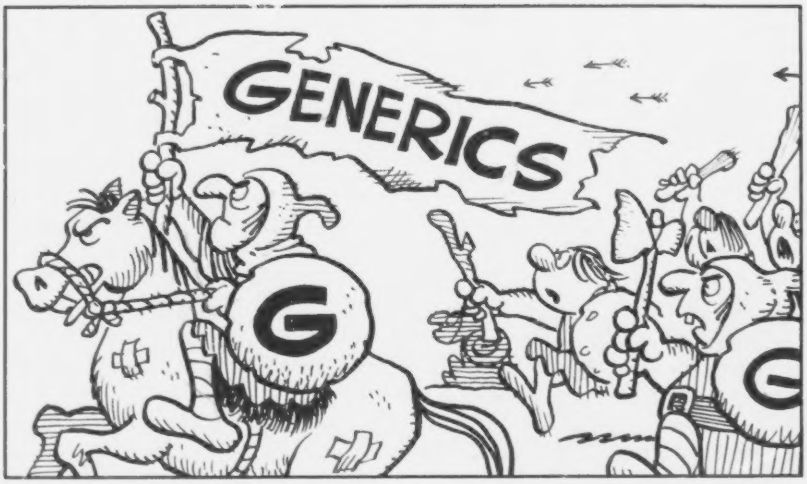

The generics threat

Generic package goods are taking market share away from national and house brands, and may increase their market shares on average from 5% to 7% in 1982. Marketers aren't sure if generics pose a threat to nationally advertised brands, or are another form of low-price private labels. One thing they are sure of: generics won't just go away.

Generics are on the march.

These low-priced grocery products, which go to market under only a category label and with no nationally advertised trademark, are gaining share of market.

Like private labels, generic products have been dismissed by some as an inconsequential adjunct to the low price end of the market. But in the past three years generics have been showing a strength that, while not immediately threatening, is seen as a symptom of brewing trouble for established brands.

The growing appeal of generics in numerous product categories suggests a serious erosion of brand loyalty among consumers. Pressed to seek lower prices by the economic downturn, consumers are more interested in value/price relationships than they have been since the great recession — and are inclined to question the premium price many brands carry.

Thomas A. Erhart, chairman of the board for the national market research company, Erhart-Babic Associates, Inc., has studied the popularity of generics, and writes: "Sure the consumer is out to save money and no-frills are cheaper. But even with heavy couponing and concurrent double couponing by stores, you don't see a repurchase pattern significant enough to improve brand shares."

A recent Nielsen study of the growth of generics in supermarkets finds that generics are doing well in some categories that are shrinking in gross sales. "Generics have not had any impact on category size and direction. Despite their collective 65% volume advances from 1979 to 1980, they have failed to stimulate the physical size of the markets they are in — markets which are off nearly 1%. This relationship exists across all segments analyzed."

The Nielsen study finds that generics are taking away from house labels as well as named brands by offering prices that are 30% to 50% lower than the average price of branded merchandise.

Fred W. Thatcher, vp-private label division at the Purex Corp. sees the growth in generics as leading to the development of a new, more economical budget line in supermarket chain house brands.

The indication that brand loyalty is waning was pointed to in an address by Don Johnston, chairman of J. Walter Thompson, delivered to the American Association of National Advertisers in November. He said that a study of generics done by the agency for Jewel supermarkets found that awareness of generics among consumers is accumulating. "In 1978 it was at 46%. In 1979 it was at 90%. In 1980, it was at 96%. As you would anticipate, generics made their biggest in-roads in categories with lowest brand loyalty."

Johnston added the data from JWT's trade study which polled 99 key executives of supermarkets and wholesalers in the U.S.A. and Canada, with annual sales ranging from under $100 million per year to over $1 billion. "They generally agreed that generics would be a strong factor in the market throughout the decade," said Johnston.

"They foresaw more growth in private labels and generics than they did in branded products. Over the next five years they foresaw a drop in the shelf space allocated to branded products and an increase in the space allocated to generics and private labels."

Currently, generics appear to have a noticeable toe-hold in the marketplace. On average, according to Nielsen, generics account for about 5% of sales, and have been picking up speed in the past two years. Between 1978 and 1979, the entire share growth of generic labels appeared to come exclusively from private label, as generics moved up to a 1.1% market share. Between 1979 and 1980, generic entries doubled to a 2.2% share of market. Meanwhile, private labels lost 0.9% share, and advertised brands lost 0.2% share.

The Nielsen study, written by Jim Parks, vp-marketing research group, notes: "It can be fairly stated that generic label performance within the best developed 50 categories has collectively doubled from a level of 2.6% a year ago to a 5.3% share of market generated across six recent months."

A JWT study on brand loyalty shows three categories of high, median and low brand loyalty. In some instances, the products with the lowest brand loyalty are the highest in generic market share. But not always. (See box on page 102B.)

But within these categories, a phenomenon of brand loyalty occurs. "The nearer a product is to a commodity the lower the degree of brand loyalty. And, the higher the degree of perceived risk to the consumer, the

Brand Names
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more reluctant the consumer is to switch," JWT reports.

The nature of perceived risk varies widely. The loyalty rate for cigarettes was the highest we found in all our categories. And so was the level of perceived risk — the risk in this case being the loss of a familiar and favored taste."

But within a product category, the brand most vulnerable to brand switching is apt to be the share leader. In cigarettes, with a 53% brand loyalty (those who wouldn't switch brands even for a 50% price saving), share leader Marlboro had only 45% brand loyalty. "The most intense loyalty clustered around two relatively minor brands, Tareyton at 74% and Camel at 68%," the report said.

This increase in brand loyalty as brand share ratings diminished was noted in all categories. JWT's Johnston commented: "What we're dealing with, I believe, is the difference between main stream marketing and segmented marketing.

"Ideally, what a main stream marketer wants is everybody. His objective is to cut across segments — men, women, young, old, college graduate, high school graduate, black, white, north, south. That's how you put a really big brand together.

"A segmented brand is quite a different proposition. If it is being marketed properly, its appeals are being directed very precisely at a well understood consumer segment. When it is possible to understand your customers that well, because they are more or less alike, you can bind them more strongly to you and hold their loyalty better."

Johnston suggests that those brands most threatened by generics and house brands are the ones that should pay the most attention to cable tv and other forms of the new electronic media, to develop stronger approaches to segmented marketing. "Any evaluation of the future of brands in this country must take into consideration a new factor in the marketplace, the so-called 'new media,' most immediately, cable television.

"Network television advertising has been and still is today the natural tool of national manufacturers in search of mass markets. The new fractured media, however, because of their local, segmented nature have a potential for retail advertising that network tv never had.

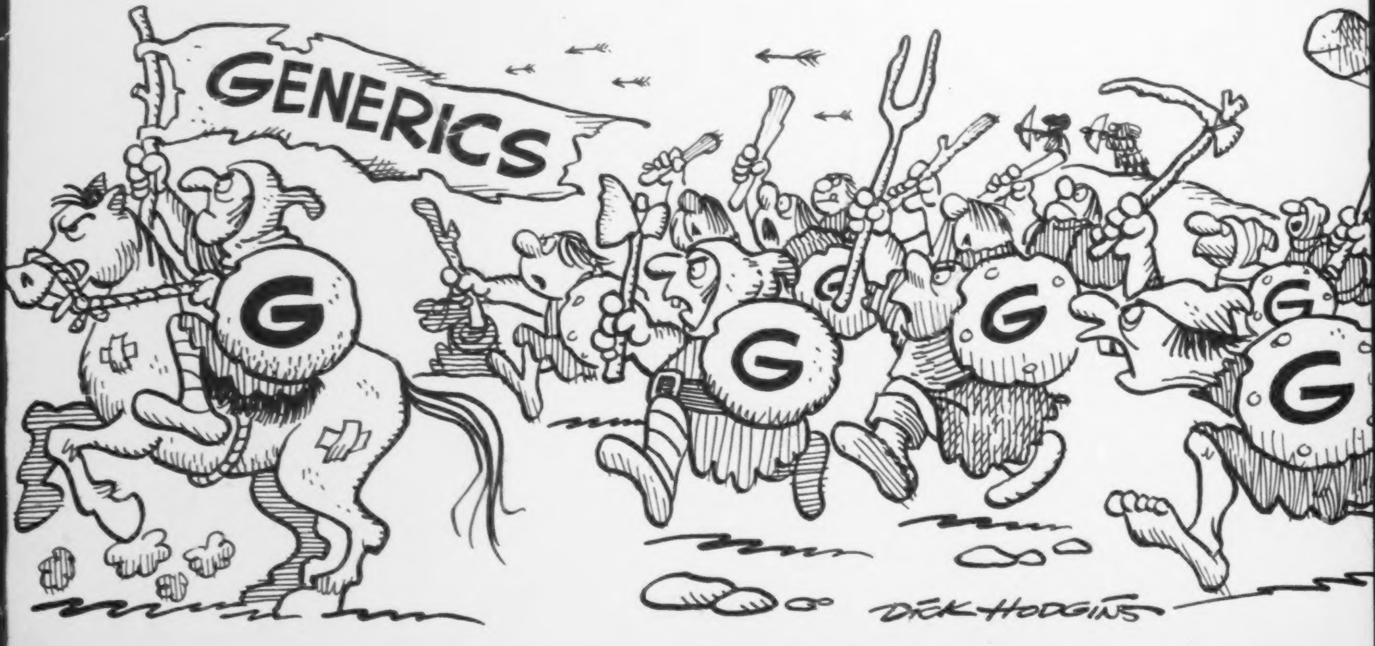
"The smaller retailers don't realize this yet, but the big ones do. A lot of them are involved in early experimentation with new media. Obviously, they foresee the possibility of new, local sales effectiveness — even of changes in basic distribution systems.

"Who will understand the new media best — manufacturers or retailers? And who will put that knowledge to use most effectively? The answers to these questions will have a major influence on the future of brands.

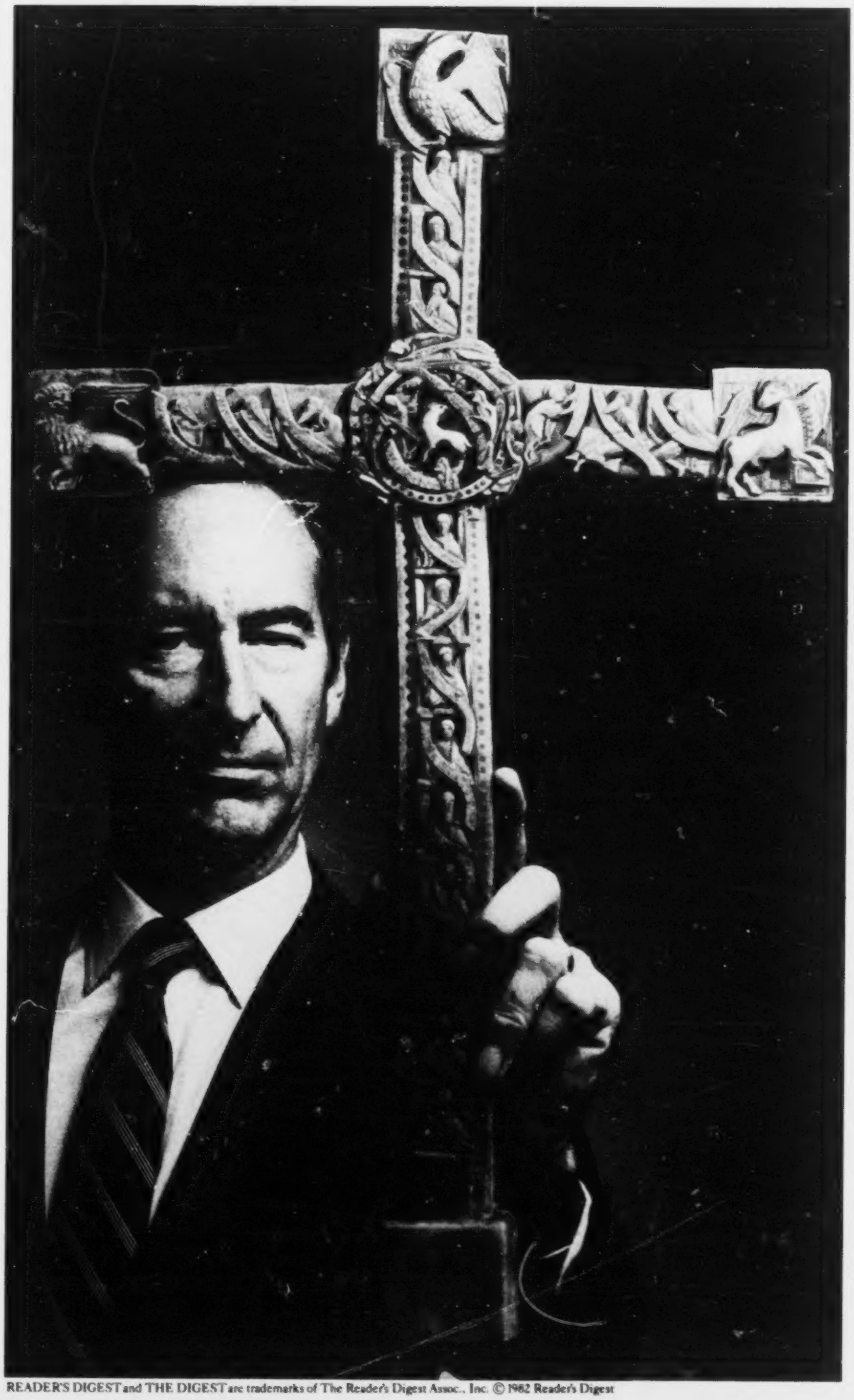
"The future seems brightest for specialized and clearly differentiated brands that perform a function the consumer sees as particularly well adapted to his own purposes and way of life. Developing those brands and maintaining them requires a whole series of positive acts from R&D through quality controls. It requires a new perception of both segmented markets and segmented media. It requires not only understanding but a complete commitment to the idea of branding, and of long-range programs rather than day-to-day reactions to the marketplace."

Despite the threats generics pose to branding, they are often coming from the very companies that produce the brands that compete against the generics. Scott, for instance, produces paper products in generic packages. The Liggett Group, now owned by Grand Metropolitan Ltd., produces a generic cigarette. The reputation for quality they develop frequently rests with the supermarket chain that offers them, Johnson notes. "Backed by the prestige reputation of Jewel or Ralph's or King Soopers — they're a consider-

Continued on page 102B



The revelations of Thomas Hoving



Did a young, obsessed Thomas Hoving, later director of New York's Metropolitan Museum of Art, embark on a crusade to acquire a medieval cross to give his career a vital boost?

Did he ever buy a smuggled work of art?

Did he break into another museum's glass case to examine a small ivory plaque?

Hoving reveals some secrets of acquiring art treasures in his rousing, art-world detective story, "King of the Confessors."

Hoving's book, which takes its title from a mysterious inscription on a 12th-century English cross, appeared as the book selection in The Digest only a month following its publication date.

Every month, The Digest reaches 40 million adult readers.

We're proud to reveal that Digest readers buy about 1/3 of everything sold in this country. Including, most likely, what you want to sell.

No other magazine combines *size, believability* and *response* like The Digest. Reach America with the magazine that knows and understands America.

Reader's Digest

The Digest reads America

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have less time to shop. So the package becomes the single means for marketers to communicate with their customers at the time of purchase and use."

An expansion of the generic market is also expected by some marketers who are in both the branded and generic side of the package goods business. David Carey, vp-consumer products for Scott Paper Co., expects the generic share of the sanitary paper product market to increase.

"Right now, generics represent between 7% and 8% of the market. Most of that business is moving out of branded product to private brands, and then into generics. In 1982, it looks as though the generic share will grow from its present 8% base to between 9% and 10%."

The reason, he suggests, is "that the consumer has demonstrated a desire for products that offer a minimum acceptable level of performance, and is buying them. There are consumers who want a basic, no frills package.

"We have lost some business directly to generics," Carey admits, "but our value line has been designed to give maximum value to the consumer. We have held or improved our share of business over the past year."

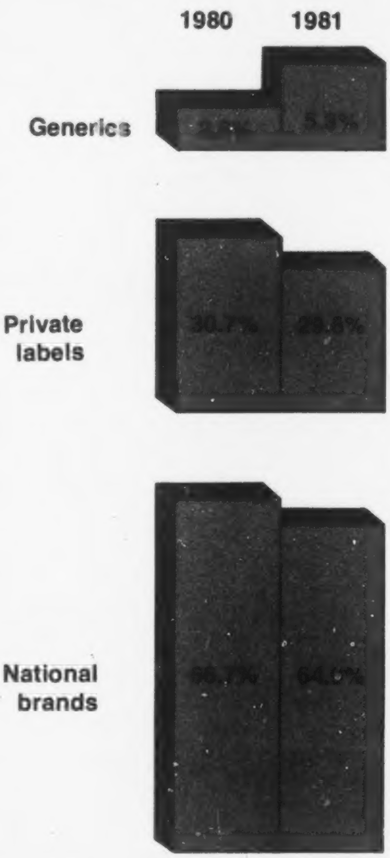
A different view of the direction of generic growth in the next months comes from Fred W. Thatcher, vp-private label division of Purex Corporation. Purex is a major supplier of household cleaning products for generic and private label distribution, as well as its own branded lines.

The promotions by major chain supermarkets, Thatcher believes, are causing generics slowly to evolve into a lower-priced tier of private labels. "While there are a lot of black and white labels out there, they are now taking on a brand identity. We are seeing a lower priced budget level of private labels developing.

"I think the concept has a great future. It's getting back to what private label was supposed to be in the first place, but private labels have been upgraded in recent years so there are no true budget lines. I believe there are more budget lines coming."

Stores with new private labels that are now developing momentum in what Thatcher calls "generic lines" include: Shoprite's MSB, Pathmarks's No Frills, Safeway's Scotch Buy and Kroger's Cost Cutter.

Unit share change



Source: A. C. Nielsen Market Research Group

Although Purex sells private labels, generics and its own branded lines, Thatcher claims there is no conflict between them. "The Purex private label division sells a formula. We don't care what label anybody puts on it. We have a sales force out there selling our private label, but we don't advertise to the trade. There really are no savings for generic products for anybody in our area.

While Thatcher does expect growth in generics and private label this year, he says: "I don't see it getting up to 10% of the category in our product area."

But as the recession deepens, the generics do at least have a temporary tailwind

Fred Gardner

CABLESCAN

(from 48)

Cable ad logging shows multi-service advertisers

At the request of several ad agencies, including Foote Cone & Belding, Doyle Dane Bernbach, Ogilvy & Mather and Young and Rubicam, Advertising Information Services, Inc. has been keeping logs of primetime advertising on four major cable programing services on the Teleprompter cable system in Manhattan.

The monitoring, which began last October, continued through January when Broadcast Advertisers Reports started logging cable commercials on a 24-hour basis.

Jared Safirstein, president of Advertising Information Services, said that while the monitoring could spot preemptions only in the Manhattan cable market, the logs did reveal a "relatively high incidence of discrepancies."

Safirstein could not give a percentage of commerical spots which did not run when scheduled, but he said that in all but one case the programer agreed to makegoods. The Cable networks monitored included Turner Broadcasting's WTBS SuperStation and Cable News Network, Entertainment and Sports Programming Network (ESPN) and the USA Cable Network.

Other findings from the report, according to Safirstein, showed a predominant majority of advertisers using only one cable programing vehicle.

"Of the 150 companies whose ads were monitored," said Safirstein, "one-hundred and one used only one programing vehicle. Thirty-three use two vehicles, eleven used three and five advertisers were on all four networks."

Almost all of the commercials logged were 30-seconds, except for a few 120-second ads from book and magazine publishers, said Safirstein.

The average commerical minutes per hour on the four services went as follows: USA: 6 minutes; ESPN and WTBS: 7 1/2 minutes; and CNN: 9 1/2 minutes, all during primetime.

Detail from Cover Girl Thick Lash ad.

Brand Report 73:

Cosmetics

The recession has hit the cosmetics business and marketers are looking for new ways to drum up sales. One technique being tried for the first time is the use of coupon offers. Although newspapers and free standing inserts are getting an increased share of the media pie, overall spending is not increasing. Marketers are cutting back ad budgets because of the tight economy.

Although cosmetic companies continue to launch new products and fortify popular exisiting brands with increasing amounts of advertising, the $3 billion business is nearly mature, leaving little room for brands to grow without stealing market share from competitors.

Yet ad budgets are lagging behind inflation, partly because the business has been hit by a recessionary sales snag.

"Cosmetic companies are cutting back their budgets to save their profit margins," observes Brenda Landry, a vice president at Morgan Stanley. "The only way cosmetic companies can survive in this environment is to continue launching new products and advertising them heavily."

Medium-priced brands are hurting most in this tight economic period because consumers are trading down to lower-priced cosmetics.

Cosmetic purchasers traditionally have been lured to brands by expensive advertising campaigns promising higher quality. But with fewer discretionary dollars, price is becoming a crucial factor in purchase decisions.

To reverse this trend, some cosmetic marketers have resorted to large promotional campaigns featuring cents-off coupons. Even the premium-priced brands are now offering price incentives.

Top advertised creams & lotions — 1980

	Total	Sups	Mags	Net tv	Spot tv	Newspapers	Outdoor	Spot radio
Oil of Olay	**$32,419.4**	—	$2,769.9	$26,498.8	$3,150.7	—	—	—
Vaseline	**7,119.7**	—	549.7	6,527.3	42.7	—	$280.0	—
Wondra	**5,195.0**	—	528.6	3,753.9	912.5	$10,805	—	—
Sassoon	**4,550.7**	—	855.3	1,576.1	2,119.3	—	—	—
Raintree	**3,820.1**	—	963.1	2,216.2	201.6	—	—	—
Ponds	**3,380.9**	$310.8	—	3,509.3	—	27,470	—	—

All chart statistics from: Leading National Advertisors, Broadcast Advertiser Reports and Media Records.

The cosmetics business faces a further crunch in the current recession as retailers cut back inventories because of high interest rates. And though interest rates have abated slightly recently, retailers still have not stocked up for fear that consumers are not buying, especially not discretionary items, according to Frank LeCates, a stock analyst at Donaldson Lifkin & Jenrette.

Lower-priced brands geared to rapid turnover are winning favor from retailers. This past year lower-priced, mass-distributed brands like Cover Girl and Maybelline have enjoyed sales growth.

Aside from external economic factors affecting cosmetic marketing, cosmetic profits and sales are being squeezed.

Although the expansion of working women — who tend to be heavy makeup users — has helped cosmetic sales, that trend has peaked. Observers say that the market is becoming mature.

One area of cosmetics, however, seeing enlivened marketing activity is facial treatments, where a host of new competing products have been introduced. Gillette, for example, introduced two new facial products this past summer, supporting them heavily. Aapri, a facial cleanser with a gritty texture, is being supported with a budget of $9.3 million, and sold out in its initial phase. Similar facial cleansers have been higher-priced and distributed on a limited basis, so Aapri is being watched closely.

Gillette's second new product, Silkience facial moisturizer, is a brand extension of its shampoo. It carries an ad budget of $11.5 million, with a direct mailing of 15 million samples.

While the market's maturity and the economic squeeze on cosmetic sales have affected some marketing strategies, media selection remains unchanged.

Advertising budget increases are not keeping up with inflation, but this effectively smaller advertising pie is being shared by all media. Cosmetic marketers continue to pour the majority of their dollars into broadcast to support their mass distributed brands. Print remains the second most used medium in terms of dollars. Magazines are popular because colors and shades can be played up dramatically, and are used to explain product use and benefits.

Cosmetic marketers commonly pick out magazines based on how well the age of the readership corresponds to product demographics since some cosmetic products are only popular among specific age groups. For example, lip glosses sell well against teens, and facial moisturizers against older women.

With the growing popularity of promotions featuring coupon drops, both free-standing inserts and rop newspaper space is capturing more of the cosmetic ad dollar. Still, the percentage is minimal compared to other media.

Radio gets approximately 2% of national dollars, and is also a slightly expanding medium for cosmetic marketers. Brands which tend to skew against a younger audience are the most likely users of radio, often used to reach teens.

Although premium-priced cosmetics traditionally have been sold in department stores and medium and lower-priced brands in a variety of stores from the food store to the drug store, there is a growing shift in the way cosmetics are being distributed.

Food stores are capturing an increasing share of the products, up 18% in

Spending strategies for top ten advertised brands — 1980

	Total	Mags	Sups	Net tv	Spot tv	Net radio	Outdoor	Newspapers	Spot radio
Oil of Olay	**$32,419.4**	$2,769.9	—	$26,498.8	$3,150.7	—	—	—	—
Maybelline	**26,311.6**	5,704.1	—	16,581.2	656.3	$1,524.1	—	—	—
Cover Girl	**24,034.3**	6,659.4	—	16,944.6	430.3	—	—	—	—
Revlon	**20,028.8**	5,064.8	$99.8	5,339.9	7,704.1	—	—	$341,268	$ 47,937
Avon	**9,330.2**	982.8	9.2	6,617.4	440.6	1,276.7	$3.5	—	452,831
Estee Lauder	**8,965.3**	2,085.3	434.6	—	6,445.4	—	—	515,920	—
L Erin	**8,033.9**	1,487.0	—	—	6,546.9	—	—	20,189	—
Vaseline	**7,119.7**	549.7	—	6,527.3	42.7	—	—	—	—
Lip Quencher	**10,085.8**	102.5	—	—	9,983.3	—	—	—	—
Maxi	**6,166.3**	1,653.5	56.4	562.9	3,993.5	—	—	—	—

Yearly ad dollars for top cosmetics brands

	1981 estimates	1980	1979	% change 1980/1979
1. **Oil of Olay**	$46,000.0	$32,919.4	$20,098.3	+61%
2. **Maybelline**	26,000.0	26,311.6	25,544.5	+3
3. **Cover Girl**	30,000.0	24,034.3	22,476.4	+7
4. **Revlon**	17,700.0	20,028.8	18,150.2	+10
5. **Avon**	3,000.0	9,330.2	16,001.4	−41
6. **Estee Lauder**	9,000.0	8,965.3	6,701.8	+33
7. **L Erin**	15,000.0	8,033.9	4,255.6	+88
8. **Vaseline**	7,900.0	7,119.7	4,744.9	+50
9. **Lip Quencher**	10,000.0	10,085.8	8,134.6	+23
10. **Maxi**	7,625.0	6,166.3	3,839.0	+60
11. **Wondra**	4,250.0	5,195.0	13,093.3	−60
12. **Sassoon**	6.3	4,550.7	100.6	+4000
13. **L'Oreal**	1,700.0	4,417.0	3,905.8	+13
14. **Aziza**	4,600.0	4,061.4	4,209.6	−3
15. **Max Factor**	4,375.0	3,522.5	2,103.8	+67
16. **Nivea**	4,700.0	3,488.5	3,302.6	+6
17. **Ponds**	1,200.0	3,802.1	3,971.2	−4
18. **Raintree**	3,600.0	3,380.9	3,256.5	+4
19. **Cutex**	3,460.0	2,524.3	1,940.7	+30
20. **Lancome**	1,800.0	1,232.6	988.2	+24
21. **Mary Kay**	1,000.0	1,074.3	2,819.1	−62
22. **Clinque**	1,000.0	953.0	1,254.2	−24

the last two years. One reason for that change: working women, with less time on their hands, are buying cosmetics at the same time they buy food.

Avon and Mary Kay, which sell their products through salespeople who make home visits, are faring well in the current recession because they do not share their competitor's fears of inadequate inventory.

Following is a rundown of the major advertised brands, including their competitive stance, distribution patterns, and new marketing and media strategies.

Oil of Olay

Oil of Olay has been getting bigger and bigger and we are spending more and more to advertise it," said media director Irwin Fleischer at Richardson Merrell Inc.

The face lotion/moisturizer was the sales volume leader in 1980, up more than 61% in sales. But Estee Lauder is still the dominant brand, reaching 26.9% market share, according to *Product Marketing's* annual cosmetic marketing report. Oil of Olay rates second in the market with a 17.5% share, ahead of Noxell's Raintree and Revlon's brands.

Oil of Olay ranks first in advertising expenditures. Its 1980 ad budget of $32.5 million was increased in 1981 to $46 million, according to a *Decisions* estimate based on comparing first half 1980 and 1981 data. Those budget allocations are far larger than the second heaviest cosmetic-related spender, Maybelline, with a 1981 budget of $26 million.

The bulk of Oil of Olay's budget goes to network television with a smaller proportion going to spot television. In print, the budget is approximately $3 million.

The print campaign is unusual: ad copy looks like editorial copy, with lengthy explanations about how skin can look more beautiful with the use of moisturizing Oil of Olay.

Maybelline

Heavy spender Maybelline is enjoying record sales growth, buoyed by consumers trading down to lower-priced brands, and by two new products that are doing better then expected.

One is Moisture Whip, a facial moisturizer, and the second is Dial-a-Lash, an adjustable mascara that controls the amount of liquid on the brush.

The budget for Moisture Whip is heavy in print, featuring various sweepstakes offers such as a week's vacation in New York City.

Maybelline, while heavy in print and network television, is also one of the few cosmetics marketers to use network radio. The medium is used for younger-skewed products such as flavored lip glosses. In 1980, Maybelline spent $1.5 million in network radio.

Maybelline uses a broad selection of fashion, teen and women's service magazines. Eye shadows and powder blushes, which tend to be used by younger women, are advertised in the younger-oriented books. Nail color and moisturized makeup tend to be more popular among older women so women's service books are selected.

Because Maybelline has such a wide-ranging choice of products, with entries in facial make-up, lip, eye and manicure products, it tends to favor a broad media strategy.

Cosmetic ad dollars by media and year

	1980	1979	% change	Media's share of total — 1980
all media	$244,556.3	$229,158.3	+6%	—
news sups	2,143.5	1,776.3	+21	1%
magazines	65,398.6	57,385.4	+13	26
net television	114,509.3	102,196.3	+12	47
spot television	57,279.9	53,189.4	+7	23
net radio	4,174.5	2,856.2	+46	2
outdoor	1,044.5	1,907.3	−45	less than 1%
newspapers	4,755.0	4,041.0	−15	2

"We are a mass appeal and mass distributed cosmetics company, so we use a national approach in advertising," said Robert Schreiber, vp-advertising.

Maybelline spent $16.6 million in network television in 1980. Its $1 million spot television budget is used to heavy up in key markets, Schreiber said.

Maybelline's heavy spending in print - approximately $6 million in 1980 - is to get at the light tv viewer, he said.

Noxell

Noxell is adding weight to its easily recognizeable "clean, fresh Cover Girl look" by substantially increasing overall spending while expanding its print budget.

"We've stepped up our overall schedule in existing magazines to support more brands," said F. Stone Roberts, vp and management supervisor.

Cover Girl already advertises heavily in print — some $6.5 million out of its 1980 $24 million budget was allocated to teen and beauty books, and women's service magazines.

The remainder of its budget goes heavily into network television, with a minimal amount reserved for spot television.

Cover Girl has long projected a healthy glow using model Cheryl Tiegs in television and four-color print ads.

Recently, the brand got a new cover girl, model Christie Brinkley, whose penetrating blue eyes, full lips and blonde hair spice up the brand's image.

Noxell has been growing rapidly, according to a number of stock analysts, because of heavy advertising support and rapid turnover of products at the retail level.

Sales are up 14% over 1980, as consumers turn to lower-priced brands.

"Both Maybelline and Cover Girl are geared to regular use and rapid turnover. So the retailers like them very much," said Frank LeCates of Donaldson Lifkin & Jenrette.

While Cover Girl still lags behind Maybelline in the market, Cover Girl has increased its advertising support by a greater percentage than Maybelline.

Revlon

As the giant among mass marketed brands, Revlon has successful entries in all categories of cosmetics, and promotes all heavily. Its products range from high-to low-priced items, fashion conscious women. Formula 2 for a younger working woman and Natural Wonder for teens to the mid-twenties. Revlon also has a line of cosmetics for Black consumers, Polished Ambers.

Janet Wilson, L'Erin director of marketing, has helped redesign brand's image and ads.

Revlon media director Anthony Cozzolino says the company tries "to get at both the heavy user and the potential user. There are so many companies that the competitive level for attention is very high. You have to do certain things to go out there and sell."

Revlon makes minor changes in its media strategy on a yearly basis. In 1980, Revlon withdrew $1 million in magazine advertising for facial makeup. It also cut spot television support for facial makeup by $600,000.

The company leads the market with a 27% share, followed by Max Factor, Maybelline and Cover Girl. Revlon is the top seller in lipsticks and lip glosses and is second behind Max Factor in makeup bases. It competes fiercely with Max Factor and Maybelline in eye makeup. Revlon is also at the top in nail polishes and enamels with a 20.2% market share, according to *Product Marketing's* 1980 consumer study.

Revlon's advertising expenditures, lag however, behind Cover Girl and Maybelline.

Last year, its estimated budget was $17 million, compared to $30 million for Cover Girl and $26 million for Maybelline.

Max Factor

"We're trying to break out of the mold of typical cosmetics marketing," says Harv Jaffe, senior product and promotion manager for Maxi cosmetics, Max Factor's heaviest advertised, youngest skewed and lowest priced brand.

Max Factor, a relatively prestige cosmetics house among the mass marketed brands, prices Maxi slightly higher than competitors Cover Girl and Maybelline.

But last year, Maxi began a price promotion dropping 25 cent and 50 cent coupons. They pulled a much higher response than expected, and so in an unusual move for a cosmetic marketer, Maxi has committed itself to a large coupon program this year. It will be dropping one major coupon every 90 days, placed in magazines and free standing inserts with additional distribution through direct mail, according to Jaffe.

About 10% of the print budget has been allocated to the coupon drops.

The print schedule is a broad one that has recently been expanded with the addition of *Coed* and *Young Miss* magazines, to target more heavily to teen-agers.

The schedule also includes *Good Housekeeping*, *Redbook*, *Woman's Day*, and *Family Circle*.

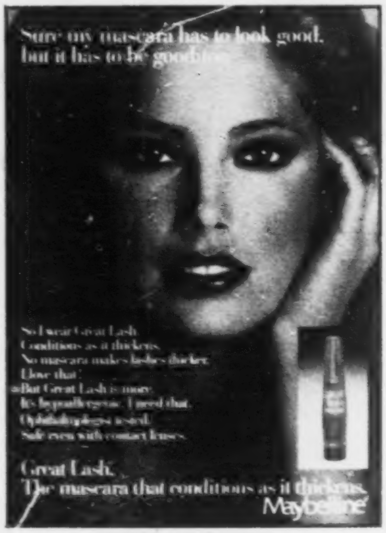
Because Maxi's target is females 16-34, it aims for what Jaffe calls the "Saturday Night Live crowd" in its television buying. Most of its network television spots, which run in five flights for a total of 20 weeks, run late at night or on weekends.

Although Maxi is positioned as a budget value cosmetics line, the advertising emphasizes maximum performance based on laboratory test results. Claims are made for eight-hour makeup and 24-hour mascara.

Lip Quencher

No other brand in a single makeup category gets as much advertising support as A. H. Robbins' Lip Quencher, which has a $10 million budget.

The media budget is almost entirely allocated to spot television. Sally Wood, group product manager, said this is more efficient, because it combines Lip Quencher's dollars with other company brands such as Chapstick.


Sure my mascara has to look good,
So I wear Great Lash.
Conditions as it thickens.
No mascara makes lashes thicker.
I love that.
But Great Lash is more.
It's hypoallergenic. I need that.
Ophthalmologist tested.
Safe even with contact lenses.
Great Lash.
The mascara that conditions as it thickens.
Maybelline

Maybelline promotes product benefits to mascara users.

Chapstick's budget is heavy in spot television because it sells better in certain areas of the country.

"We are in spot television almost exclusively because the company strongly believes that it is important to stand out effectively in one medium," Wood said.

Although Lip Quencher was not supported with print advertising in the late seventies following its introduction in 1975, it is using print in 1981 and 1982 not for "reach and frequency," Wood said, "but to tell a color story. Color stories about new shades are difficult to tell in television."

A product benefit campaign is replacing Lip Quencher's "Color Me Quencher" ads.

"We plan for a much stronger positioning in 1982 with the campaign 'lips can't look this good unless they feel good.' "

L'Erin

L'Erin cosmetics, a subsidiary of Consolidated Foods, which also owns L'Eggs panty hose, has been trying to compete with mass-merchandisers Cover Girl and Maybelline but its success has been limited until recently.

Sales are up 30% from 1980, primarily due to a modernized advertising campaign from a new agency, Dancer Fitzgerald Sample, expanded distribution, new products and a heavy retail promotional emphasis.

The new thrust also revamps positioning for a market gap L'Erin researchers believe they have found.

"We believe we have found a hole among the heavy cosmetic user who is an active woman, wants to appear attractive to herself and look appealing to the opposite sex," said Janet Wilson, director of marketing.

"The idea we are trying to present is that L'Erin gives you an edge," she said. As part of that theme, the old ad copy, "put your face on and forget it," has been replaced by "say it without saying a word, let L'Erin do the talking."

The new campaign costs $15 million in advertising and promotion for 1981 compared to $8 million the year before. One reason for the increase is the move to national distribution this past summer. Before, L'Erin was in 58% of the country.

National roll-out has reduced significantly L'Erin's reliance on spot television. It is now using prime and daytime network television in flights of four to six weeks five to six times a year with additional spot television in strong sales areas.

Although 75% of the budget goes to television, 25% is allocated to women's service and fashion books, with four-color ads 12 months of the year, Wilson said.

"Consolidated Foods believes very strongly that a mass marketed item requires heavy support. We will continue to be outspoken in advertising. Our share of voice will exceed our share of market," Wilson said.

The heavy promotional support and high number of new products — L'Erin is planning to bring out 40 new items this year — is necessary, Wilson pointed out, because cosmetics are an impulse buy.

Excitement is generated at the retail level with as many as five to six promotions a quarter, offering trial sizes, value offers and new products or shades.

Point-of-purchase display units are geared to these promotions.

Christie Brinkley portrays Cover Girl's clean, fresh look.

Retailers get a 5% co-op ad allowance to promote these events in newspapers.

L'Erin cosmetics are packaged in burgundy and white cartons and display units are geared to promotional events.

The idea is to catch the consumer's eye with a treatment different from other cosmetic brands, much like L'Eggs egg-shaped cartons and separate display units did for hosiery.

A key part of the overall strategy is offering the retailers a fast-moving, profitable product. L'Erin claims that its retail package is the most flexible of the mass-merchandised brands and offers more products per square foot of space than any other line.

L'Erin, which is aiming for women 18-34, is highly conscious of its pricing strategy. "We are priced 5-10% ahead of the budget brands and yet we are below the prestige brands," Wilson said.

"We try to present a better fashion statement for a few pennies more and an equally elegant package and fashion statement for a few pennies less."

Avon and Mary Kay

The direct marketers of the cosmetic business, Avon and Mary Kay, have built up large businesses by selling medium-priced quality cosmetics in a highly personal way. Perhaps no salespeople are so well-known as the Avon representatives who sell their goods door-to-door. And Mary Kay reps, who organize Tupperware-like parties where products are demonstrated, also are becoming better-known.

Cosmetics sell in the home because consumers can easily try out the products without being embarassed by doing so in crowded department stores.

In a tight economy, both Mary Kay and Avon stand to gain a further edge on the competition. Neither relies on retail inventory, which has hurt other cosmetics companies as retailers cut back on inventories.

Mary Kay's sales have been climbing dramatically. In 1980, sales were up 77% to $160 million. But Avon's sales are relatively stagnant. Avon has induced sales, however, by offering large discounts on specified items wrapped into a large promotional campaign supported by heavy television flights. Still, its overall sales have remained sluggish. A number of financial observers blame the slump on Avon's recent policy of cutting advertising while simultaneously increasing prices.

Avon's ad budget, once $16 million, dwindled to less than half that figure in 1981.

Dallas-based Mary Kay cosmetics has built its business by enticing representatives with lucrative sales incentives. Mary Kay has only been advertising for three years - it launched a campaign "to provide national support for name recognition," according to Larry Kelley, media supervisor at Bozell & Jacobs in Dallas.

"The advertising serves a dual purpose - to not only sell the products but to recruit actual salespeople," Kelley added.

Mary Kay's $1 million ad budget is strictly a women's service magazine campaign. However, the company is considering introducing Hispanic and Black media as its line of cosmetics expands.

Rebecca Fannnin

UPDATE

(from 44)

Hispanic-American families average 3.8 persons per household, compared with the all-U.S. average of 2.8 persons.

Tar and nicotine in cigarettes found waning

Three quarters of the 200 brands of cigarettes have no more than 15 milligrams of tar, the most recent test by the Federal Trade Commission shows. (See: "*Brand report 69: Cigarettes,*" October 1981, pg 171).

The previous test done in May of last year showed 125 of 187 brands came in at 15 mgs. of tar. Ten brands came in with 0.5 mgs of tar, one more than in May.

But Barclay, the new brand from Brown & Williamson, continued to be a bone of contention in the industry, as other manufacturers argue that the commission's testing method gives the brand a deceptively low rating. While Barclay tested at 1 mg. of tar, competitors protest that the mechanical puffers used by the FTC are being fooled because the Barclay filter allows more air into the smoke stream than naturally occurs when a human inhales cigarette smoke.

The brands which scored lowest in tar, nicotine and carbon monoxide are Cambridge filters, Now 100 filters and Carlton filters.

Meanwhile, on the marketing front, B&W's Kool brand has expanded its commitment to and association with the Kool Jazz Festivals. The corporation will present the festivals in 20 major cities in the U.S. in 1982. B&W declined to disclose dollar support totals for the festivals.

Another tobacco giant, R. J. Reynolds, is revamping packaging for its Winston brand, the number two seller in the U.S. Lawrence Hall, vp of brand marketing, commented, "When Winston was introduced in 1954, its pack design was an integral part of the brand's success.

"Consumer tastes have changed since then and we believe updating Winston's packaging will give the brand an even broader appeal to today's smokers." After testing package changes with consumers, Hall said, "The results were highly favorable, with the modifications accomplishing our objective of making Winston more contemporary and linking each style to the brand's heritage."

RJR was succesful in revamping the package for Camel Lights, to put the brand back in the mainstream of cigarette marketing.

The pleasure is back.
BARCLAY
BARCLAY
BARCLAY
99% tar free.

Barclay is still a controversial brand with its tar figures.

IBM off to fast start with personal computer

IBM's personal computer launch has been a spectacular success, according to *Leisure Time Electronics Reports*. (See: "*IBM bites Apple,*" October, 1981, pg. 126). Computerland dealers surveyed by the newsletter say demand is outstripping supply. Many stores report a wait of 30 to 40 days.

Joe Devine, systems analyst at the Computerland in Hamden, Connecticut, said, "Neither IBM nor Apple will be able to fill the demand. The market is going to increase much faster than the ability of any of the suppliers to meet demand."

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decisions

[illegible] new agency media mixers

[illegible] the numbers game fading away?

[illegible] marketers go retail

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CONGRESSIONAL INF SVC
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WASHINGTON DC 20014

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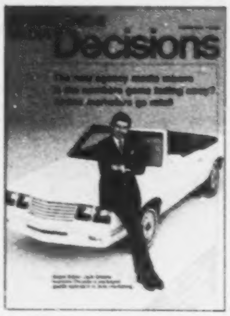
FIRST ANNUAL STEPHEN E. KELLY MAGAZINE AD AWARDS page 76



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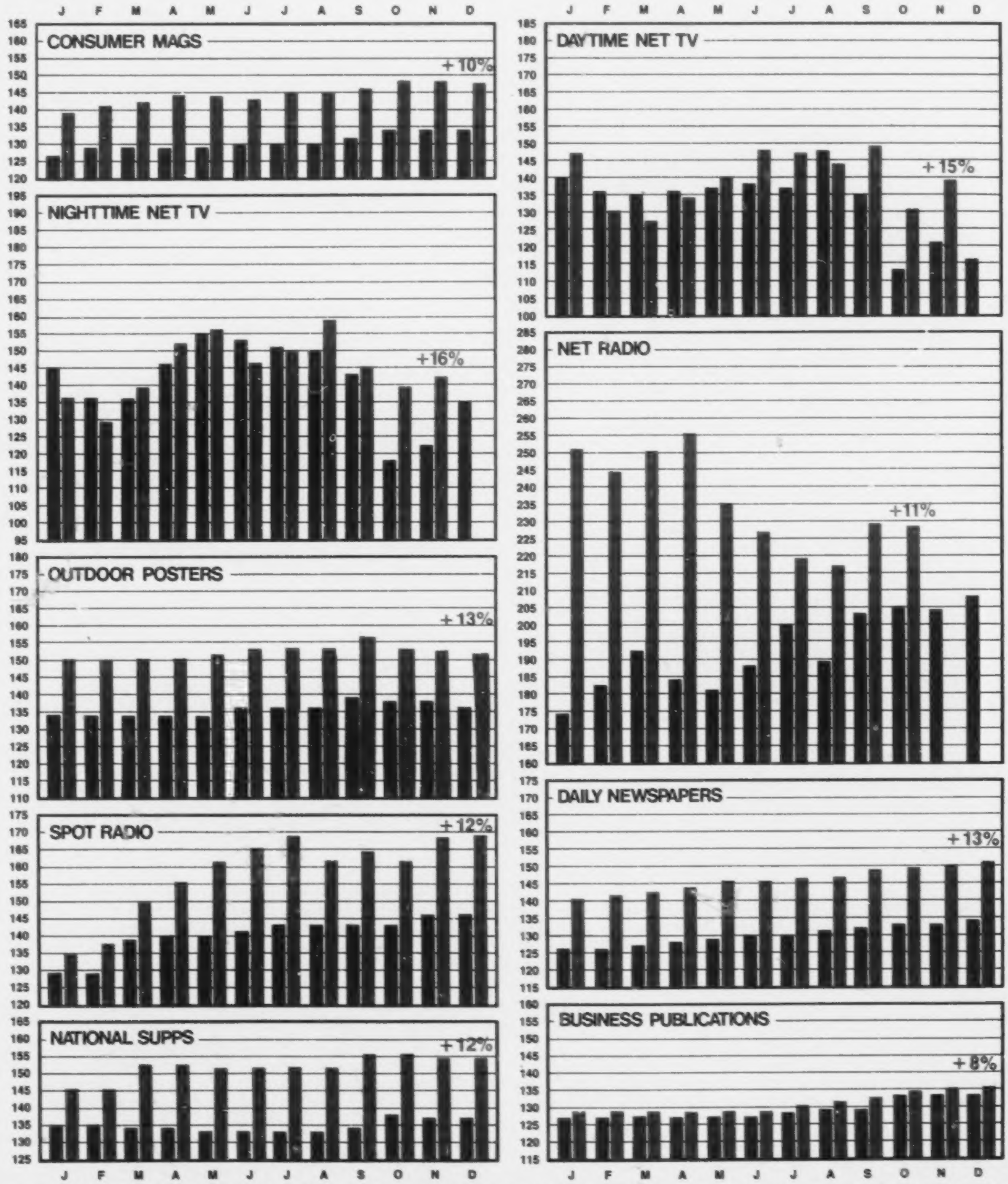
MEDIA COST INDEX

Black bars index for 1980; red bars 1981; base year 1977



The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page,

COST TRENDS

a Decisions analysis

Pricing for daily newspapers moved up slightly again, and by year end, was 13% ahead of the year-end figure for 1980. The Newspaper Advertising Bureau reported in January that November advertising had reached $1.79 billion, a 10.6% increase over the same year in 1980. National advertising was the leader with a 15% gain.

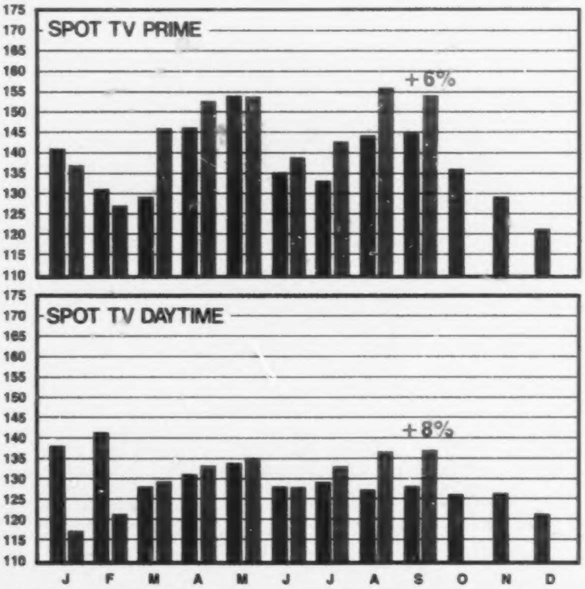
Television's viewing levels took a dramatic jump in 1981, as Nielsen data shows daily viewing levels at seven hours and sixteen minutes, fifteen minutes more than the record set for December 1979. That brings the year to date average to six hours, forty five minutes, nine minutes ahead of 1980.

Business publications continued to post gains over 1980, jumping 8% in December, a climb of 3% over the November posting. The overall increase is still 1% below the forecast of 9% for the year.

Network radio levelled off at 11% after some startling price advances in the first half of 1981. The pressure of increased competition from other new networks coming on line is gradually being felt, and continuing reports should show increases.

Spot radio re-established its firmness by year end, after finding some of its price strength erroded by network. But the average for the year places it slightly under projections for 1981.

Price advances for primetime and daytime spot tv continue to be modest, running under forecasts of a 9% increase for 1981. But fluctuations in the medium's cost are likely to be the story for the remainder of the year, still uncharted.



4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.

Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

In the TAMPA
BAY MARKET*
The Tampa
Tribune-Times
offers advertisers
THE LOWEST
CPM
PROSPECTS
in the
buying
ages
and
higher
income
households!

Find out why the Tampa Tribune-Times is the quality buy in the Tampa Bay market. Just send us your business card and we'll mail you our latest market brief, "The Quality Buy."

THE
TAMPA TRIBUNE
Morning and Sunday

The
Tampa Times
Evening and Sunday

Send to: Byron Taggart,
General Advertising Mgr.
Tampa Tribune-Times,
P. O. Box 191,
Tampa, Florida 33601

*The dynamic Tampa Bay market is comprised of Hillsborough, Pasco and Pinellas Counties.

The Quality Buy

What did you say? What did he say?

When was the last time you had a meeting with a sales person that focused primarily on qualitative factors — not quantitative?

Have I made my point?

Survey research is not perfect and media research, specifically, has more problems than I care to enumerate here. One of my favorite quotes is — "my goal in life is to have my research data *consistently incorrect!*" Perhaps someday it will be. But in the meantime we should remember to use research as a "lamp post for illumination, and not the way a drunk uses it — for support." ■

> "**Think about your last conversation with a rep who *didn't* get the business. What did you say? What did he say?**"

PLAYBOY: In cautionary times, the best way to build share of market is by concentrating advertising in the largest, most efficient media. PLAYBOY is first among them.

In good times, you build your advertising programs in the same media to maximize profitability. Again, PLAYBOY is your basic buy.

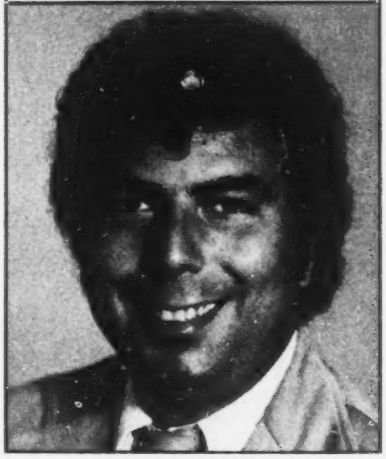
The reason is simple. When you advertise in PLAYBOY, month after month, you reach almost 15 million men–men who buy an astounding one-quarter of all spirits products. Men with a lust for life–and the means to live it well.

Which is why, good times or cautionary, the power of PLAYBOY is irrefutable.

The Playboy reader. His lust is for life.

Source: MRI, Fall 1981. © 1982 by Playboy.

TELEVISION
by BARRY KAPLAN
vice president/associate director, media information and analysis, Ted Bates, New York



Nielsen's report on consumers and viewers of pay cable homes

Ever since Nielsen (NTI) began issuing their quarterly Cable Tv Status Report two years ago, the industry has been able to monitor the overall effects of increased cable penetration on traditional viewing patterns. This illuminating report is essentially a retabulation of the same sample which provides the national Nielsens, those "magic" numbers which are so vital to the selling and buying of network tv commercial availabilities. What it does provide, in brief, is a distribution of household viewing by program source (network affiliate, pay, cable origination, independents, etc.) among three defined universes — pay, basic and non-cable households.

Pay cable homes are "super" consumers

I'm going to focus primarily on the pay cable universe, i.e. those cable subscribers who also purchase one (or more) of the *premium* pay services (HBO, Showtime, The Movie Channel, etc). Nielsen describes these households as:

- larger, more likely to contain children and teens;
- having younger household heads;
- being more affluent.

In essence, these households appear to be among the best prospects for package goods (and other) advertisers. To further illustrate this, a number of special tabulations of the Fall 1981 MRI data base were produced. The analysis consisted of crossing product usage (for a randomly selected group of categories) by pay-cable subscription status, and the results were quite predictable. *In general*, adults living in pay cable homes are more likely to be users/purchasers of more packaged goods categories than their non-cable subscribing counterparts:

Product category	Pay cable subscriber (Index total U.S. = 100)
Regular beer	113
"Light" beer	138
Imported table wine	136
Toothpaste	102
Deodorants	102
Vitamins (adults)	107
Vitamins (childrens)	124
Suntan lotions	124
Chewing gum	107
Candy bars	105
Table syrup	111
Canned dog food	125
Canned cat food	141
Children's toys/games	117
Video recorders	222
Video games	183

As you can plainly see, pay cable subscribers are, for a variety of product categories, important customers. For mass usage categories such as toothpaste or deodorants, the pay cable indices for heavy category users (i.e. those users accounting for a disproportionately high amount of consumption) are 114 and 107 respectively. Obviously, a media schedule which does not deliver these prime prospects in their proper proportion should be a cause of concern to advertisers.

Network tv's performance against pay homes is deficient

This brings us back to network tv, the vehicle to which most major packaged goods advertisers allocate the lion's share of their media budget. The Nielsen Cable Status Report has documented network tv's "underdelivery" in pay homes (particularly during primetime) over the last two years, but until recently we've only been able to examine this "shortfall" generically (through published reports). However, since September 1981, Nielsen (NTI) has been including individual *program* performance against pay cable households in their regularly published Mar-

Household ratings by program type and daypart

Daypart/program type	Average HH rating Total U.S.	 Pay cable	Pay cable index (U.S. + 100)
All primetime (S-S)	17.3	14.9	86
General drama	18.5	15.3	83
Suspense & mystery drama	15.5	13.3	86
Situation comedy	18.0	16.1	89
Feature films	16.7	12.9	77
Specials	15.7	13.4	85
Early evening news (M-F)	13.3	9.1	68
Late fringe entertainment (M-F)	5.5	5.6	102
All daytime (M-F)	6.2	6.0	97
Daytime drama (soaps)	7.1	7.1	100
Quiz/game shows	5.1	4.4	86
Situation comedy	5.1	4.6	90
Weekend sports	14.5	15.2	105

Note: Although December '81 data were used for this exhibit, it is consistent with the findings of the September-November '81 MSA Reports.

ket Section Audiences (MSA) report. The accompanying table includes data extracted from the December 1981 (November 23-December 20) MSA report for a variety of program types/dayparts.

The implications of these data should be quite alarming to network advertisers. *Primetime* programing underdelivers pay households by 14% overall when compared to total U.S. performance, and while there is some variance by program type, little of it is encouraging.

Interestingly, the performance of feature films produced the lowest index. This is not entirely unexpected, since these homes do have the opportunity to view more current, uncut (including R rated) films without commercial interruption. In fact, during the November 1981 "sweeps" period, the networks scheduled six "blockbuster" films which had previously appeared on HBO and/or Showtime. Not surprisingly, the average rating delivered by these films in pay homes was 39% lower than against total U.S. homes, and please note we're talking about first run/season performance here, *not summer reruns*.

Except for early evening news programs (The "68" index probably indicates the influence of young people with their preference for non-news programing), other major dayparts do not fare so badly. Weekend sports (primarily football in December) "overdeliver" pay homes 5% while daytime and late fringe network's performance is virtually on a par with the remainder of the tv universe. However, when examining the program types which are part of daytime network, it appears that only the "soaps" *adequately* deliver the pay cable universe.

Conclusions

Obviously, pay cable subscribers are important consumers for the vast majority of products/services, and even if their consumption/usage of a given category were only "average," their underdelivery by most network

The big buy that sells for you in small markets

WY SD MN NE IA IL CO KS MO NM TX OK AR

Capper's Weekly

$28 Billion in retail sales . . . 488 non-metro C & D counties in states of Iowa, Kansas, Missouri, Nebraska, Colorado and Oklahoma.

Source: Sales & Marketing Management, 1981

75% of Capper's readers do not read a major-metro daily newspaper. Source: Central Research Corp. 1981

Capper's Weekly Milline $9.19

Compared To . . .

Small Town Dailies Average Milline $41.73

(Daily Newspapers Under 10,000 Circulation In The Six States) Source: S.R.D.S. 1/12/82

Capper's Weekly is the 3rd largest newspaper buy in this 6-state region with an effective circulation of 418,683.

Nobody delivers the wealth of small town and rural areas like . . .

Capper's Weekly

IOWA
KANSAS
MISSOURI
NEBRASKA
COLORADO
OKLAHOMA

THE REGIONAL NEWSPAPER THAT'S DIFFERENT

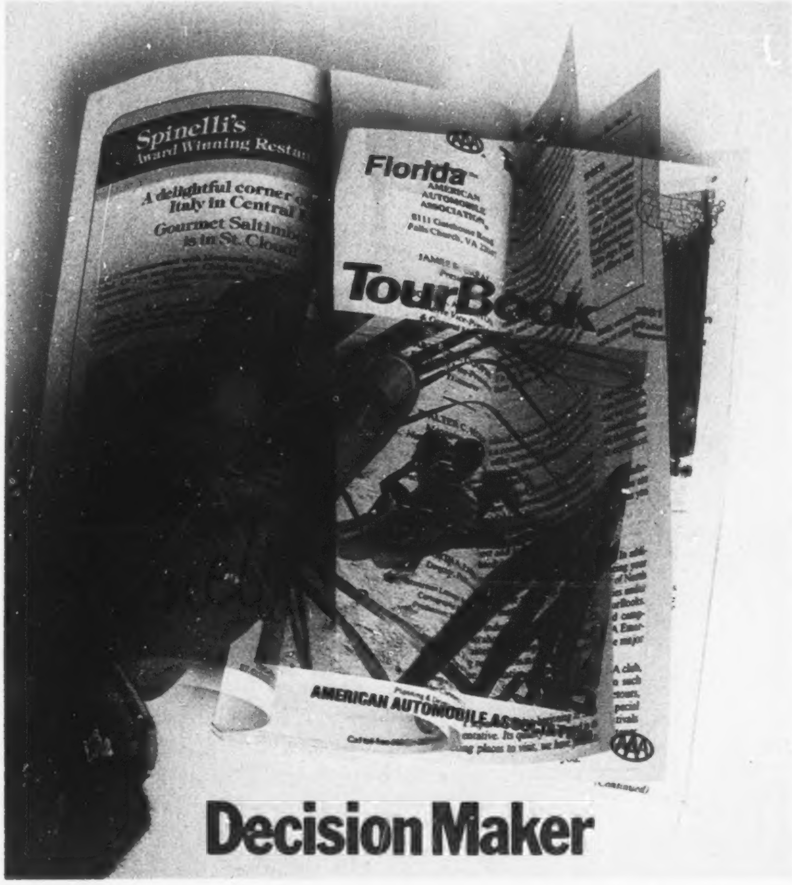
Represented by: STORY & KELLY-SMITH, INC.
Write or call for a copy of the 1981 Audience Study.
Capper's Weekly, 616 Jefferson St., Topeka, Ks. 66607 (913) 295-1102.

programing (especially primetime) should be as much of a cause for concern to advertisers as network's traditional underdelivery in a significant number of major markets.

While Ted Bates has offered a "solution" to the problem of primetime network's shortfall in pay homes (an *annual* cutback of 5% in primetime network spending and investment of these dollars on "superstations") it does not mean that there are no other steps which could be taken to *alleviate* the problem.

We further recommend that a network program's performance in the pay cable universe be considered along with all other pertinent factors in the buying process, especially during the "upfront" buying season. Of course this means that for new programs with no past performance data available, a method of predicting performance in pay homes should be developed. (Bates is currently designing a model to do this.)

I would like to close by mentioning that the problem we've discussed here is not going to go away. In the November 1981 Nielsen (NTI) sample, pay cable penetration was clocked at 18%, up 38% from a year ago. If we're to believe the predictions of many industry prognosticators, this percentage will nearly double over the next five years, and while one cannot predict with certainty how these new pay subscribers will distribute their viewing, only an eternal optimist (or a network executive) would not expect their viewing of network fare to decline. ■


Spinelli's
Award Winning Restau
A delightful corner of Italy in Central
Gourmet Saltimb
is in St. Cloud
Florida
AMERICAN AUTOMOBILE ASSOCIATION
TourBook
AMERICAN AUTOMOBILE ASSOCIATION
AAA
Decision Maker

Across America, AAA members and their families read our TourBooks while they decide on how to spend their travel dollars. In fact, over 21 million were requested just last year. Inside, the advertising helped readers make intelligent buying decisions on a variety of services and products.

What kind of people requested our TourBooks? Over half have completed college, and average household income is over $25,000. And if you're looking for people on the move, our members drive 60% more than other motorists.

For even greater budget mileage, we offer you 23 geographical editions, and the lowest cost-per-thousand among travel-related publications.

Let us bring your message to Americans on the move and ready to make spending decisions. For further information, call (703) 222-6172, or write: AAA TourBook Advertising, Department MD, 8111 Gatehouse Road, Falls Church, Virginia 22047.

Americans on the road turn to us.

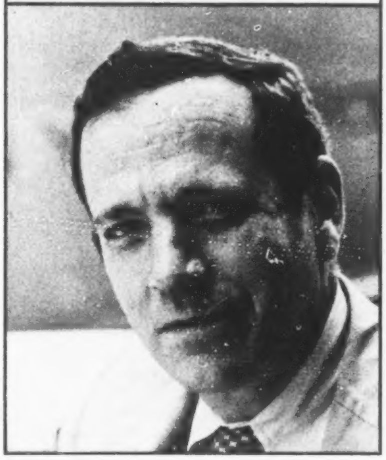
AAA

©1982 American Automobile Association

BUSINESS PRESS

by MICHAEL A. WALSH

vp-media Aitkin Kynett, Philadelphia.



Today's representatives

At a recent gathering of advertiser, agency and media people, I had the good fortune of running into an old media friend who formerly called on Aitkin-Kynett for a major business publication. Since that time this gentleman has moved up the corporate ladder in his publishing company and rarely gets into Philadelphia.

During our conversation, he raised the question of the quality of publication representation today versus 10 years ago. His question obviously concerned the representation of his company's publications, but in answering it I naturally thought of all the representatives who call on us.

As a result of this meeting, I have

Brand Report 74:

Air Travel

The day of judgment has arrived for America's major airlines. In the aftermath of de-regulation and the PATCO strike, industry profitability has taken a tail-spin. Marketers have one goal: fill planes at any cost. But heavily discounted fares have cut into the bottom line and there seems to be no end to the scramble for customers. On the bright side, regional carriers are enjoying brisk gains — often at the expense of the larger airlines. Important media are newspapers and radio. Spot tv gets a fair share of the dollars. Commercials stress destination rather than price.

Retail.

In a word, that's the heart and soul of airline marketing in 1982.

In blistering battles, fought mainly in newspapers and on radio, each major domestic carrier has trumpeted its discount fare — often reflecting the fare of a rival on a choice route. The objective is to fill the planes. But price cutting has led several major carriers to question the efficacy of retail selling on the basis of price in the airlines business.

They are finding that in their scramble to fill seats, profits are taking a tumble, with a majority of passengers now flying at discount rates. Both Eastern and TWA reported losses in the fourth quarter of 1981. In each case, top management blamed this on escalating discounts.

Recent examples of the discount domino game involved Pan Am, Delta, Eastern, Air Florida and TWA.

In late December, Delta filed a $77 one-way fare between New York and Florida at the Civil Aeronautics Board. Pan Am and Eastern quickly found out and filed their own. On a Monday — the "best food day" in the retail airlines business — New York dailies were filled with $77 offers to Florida. Not to be forgotten, Air Florida ran full page ads with its own $77 special sweetened by an offer of gift certificates (S&W green stamps). TWA then hopped on the bandwagon, offering a free car for four days with its $77 price tag. (This month the major carriers pushed their Florida fare back up to $135 because profits were suffering at the $77 level.)

But discount fever has not only affected pricing on the lucrative "corridor" routes — such as New York to Florida or Dallas to Houston. Fares on trans-continental flights have also been sliced dramatically with a dampening effect on profits.

The "product" offered on trans-continental flights by some airlines is substantially different from what they offer on their short hauls. In short flights, the trend is towards no-frill simplicity, while longer flights are characterized by service, comfort, meals and drinks. TWA pioneered the "business class," which was somewhat cheaper than first class but more expensive than coach. In response to this, other airlines began to discount their first class sections. The result: in many cases there is only a $5 spread between first class and coach. This so-called "accordion" effect is badly hurting carriers which previously capitalized on the lucrative first class service.

Marketers who have recognized the destructive aspects of the discount battle think it will end only when the country limps out of its current recession. Says Warren Rucker, ad director for Continental: "When the economy picks up and when we get out of this era of sluggish traffic, the more chaotic aspects should be taken out." However, he has lately noticed some reversals in the "monkey-see, monkey-do" trends in pricing: "In recent months I've personally noticed a little more restraint — now we're willing to take another day or two before jumping in and matching."

Discounting and the recession are only two of the myriad of problems plaguing the industry. Others include the price of jet fuel, which has galloped since 1974; the expense of rebuilding out-moded fleets; and competition from the smaller more agile regional carriers which were given new blood after de-regulation went into effect over two years ago. These mini-carriers are also beginning to feel the pinch of recession.

Six key marketing trends

What follows is a brief analysis of some of the major trends gripping the airline industry in 1982 and how they are influencing marketing and media.

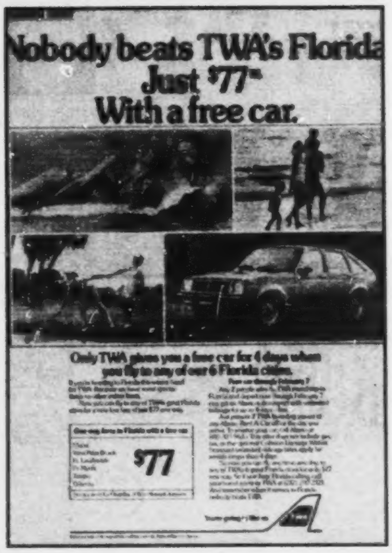
The legacy of de-regulation depends on the point of view of the carrier. It was like a bolt of electricity for smaller carriers which, during the CAB's tutelage, were forced to compete with the majors on the CAB's terms. The CAB set the price on a particular route and determined which carriers were allowed to run that route and which ones were not. Further it forced the major carriers to serve marginally profitable routes which would have been profitable for a local carrier specializing in such a route.

Several things happened when the CAB was dissolved: the majors were no longer required to run planes to obscure destinations, pricing guidelines were eradicated; airlines were allowed to change fares with the minimum of interference and time lag

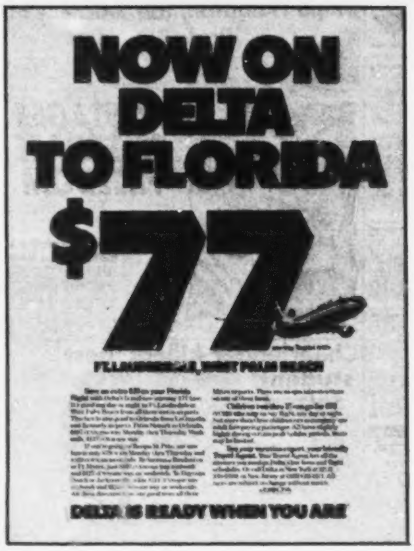
Air travel market 1980 media expenditures (in thousands of dollars)

Airline	Total	Newsp.	Newsp./foreign travel	Magazines	News supps.	Net tv	Spot tv	Net radio	Spot radio	Outdoor
Air Florida	1,339.1	1,057.0	—	—	—	—	114.9	—	142.3	24.9
American	41,752.6	14,673.0	2,485.8	3,875.3	171.5	1,056.3	10,948.7	—	7,977.4	564.6
Braniff	8,706.9	2,240.0	2,741.8	—	—	—	3,453.8	—	88.4	182.9
Continental	13,114.8	3,176.4	1,512.4	396.9	—	—	1,957.8	—	5,738.0	333.3
Delta	34,882.4	18,307.9	1,825.0	790.4	—	—	4,597.5	—	8,050.0	1,311.6
Eastern	39,302.5	16,632.0	3,181.7	3,902.6	188.5	1,963.4	6,181.5	—	5,342.1	1,910.7
Frontier	1,946.4	1,573.2	—	1.8	—	—	81.7	—	251.1	38.6
Hughes Air West	5,186.6	1,608.0	455.0	213.0	—	—	839.7	—	1,775.5	295.5
National	5,093.4	3,693.0	746.5	26.9	—	—	282.5	—	301.9	42.5
Northwest Orient	7,597.6	2,588.0	1,523.1	458.8	—	—	1,132.8	—	1,894.7	.4
PSA	4,195.4	1,827.0	126.7	—	—	—	772.6	—	1,113.3	356.0
Pan American	18,910.6	2,136.0	5,203.3	1,289.9	—	2,396.9	3,073.3	—	4,646.2	165.0
Republic	7,835.7	3,828.0	276.4	498.2	—	—	732.7	—	2,399.1	101.3
Trans World Airlines	34,127.6	12,353.2	5,073.8	1,705.8	28.1	1,493.1	8,810.4	—	4,637.0	26.2
United	47,316.8	12,834.2	3,197.8	1,989.8	1.0	8,491.0	12,384.1	—	8,149.0	269.9
USAir	6,848.9	2,399.2	150.0	530.9	—	189.3	1,952.4	—	1,264.0	359.1
Western	6,906.5	1,743.5	1,502.6	251.5	—	43.9	1,738.1	—	1,560.0	66.9
World	6,650.2	2,407.6	2,603.0	—	—	—	309.6	—	1,330.0	—

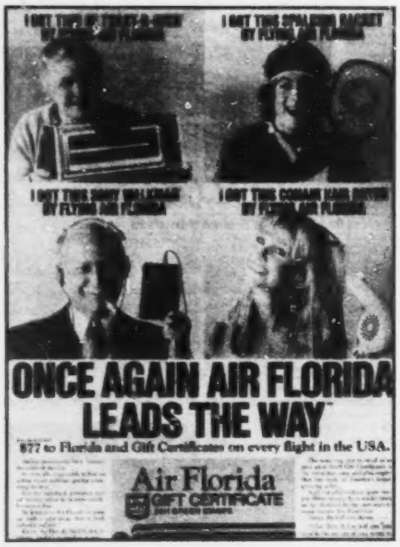
Sources: LNA/BAR; Media Records; RAB/RER.


Nobody beats TWA's Florida
Just $77*
With a free car.
Only TWA gives you a free car for 4 days when you fly to any of our 6 Florida cities.
$77

Don't compromise on quality.
"$77 gets you Florida and Eastern, too!"
Miami, Ft. Lauderdale, or West Palm Beach.
EASTERN


NOW ON DELTA TO FLORIDA
$77
FT. LAUDERDALE, WEST PALM BEACH
DELTA IS READY WHEN YOU ARE

The mutually destructive discount battle started hopping on the Florida corridor when Delta slashed its fare over 50%. Competitors saw no other recourse but to do the same.


I GOT THIS SPALDING RACKET BY FLYING AIR FLORIDA
I GOT THIS SONY WALKMAN BY FLYING AIR FLORIDA
I GOT THIS CONAIR HAIR DRYER BY FLYING AIR FLORIDA
ONCE AGAIN AIR FLORIDA LEADS THE WAY
$77 to Florida and Gift Certificates on every flight in the USA.
Air Florida
GIFT CERTIFICATE

PAN AM ANNOUNCES THE $77 FARE TO FLORIDA.

WE NOT ONLY LOWERED THE FARE, WE INCREASED THE SERVICE.

You can fly the fabled nternational service of Pan Am o Miami, West Palm Beach, Fort auderdale/Hollywood, Tampa/ St. Pete, Fort Myers, Orlando, nd Sarasota/Bradenton for $77, even days a week.

And the surprising thing is hat while we are lowering our ares, we are also increasing ur service.

Starting February 1, we will have three magnificent 747's daily to Miami. So we can pamper you in Clipper Class for only $99, or spoil you rotten in First Class for only $125, with our exclusive Sleeperette® Service.

We will also have two widebodies a day to Palm Beach.

And on February 5, an inaugural widebodied flight will take off for Tampa/St. Pete.

No matter which one of our 14 daily flights to Florida you fly, you will experience decades of Pan Am experience.

Call your travel agent or Pan Am at (212) 973-4000 (New York), (516) 485-2211 (Long Island).

Make yourself beautiful in the Florida sun. Prices slightly high during these holiday periods: Southbound: Feb. 11-15, Apr. 1-3, Apr. 7-10. Northbound: Feb. 19-2 Apr. 10-12, Apr. 16-18.

PAN AM.

so that a fare could now be registered and approved within twenty-four hours.

Regional carriers sprang up like flowers in spring. Like David versus Goliath, they immediately staggered the major trunks. Their product: extremely cheap, no frills, expeditious transportation between two relatively short-haul points. On corridors also served by the major trunks, the mini-carriers began to rack up gains because of their drastically reduced fares. Majors were brought to their knees in efforts to compete — often uneconomically.

The mini-carriers' advantages: as a rule, they have smaller, more fuel efficient planes; their overhead is lower because of cheaper labor costs. Some of the more successful practitioners are: People Express, Southwest, Midway, Pioneer, Air Florida, New York Air, and Texas International.

Route expansion for the major carriers immediately followed deregulation and is still going on.

Major trunks bolstered their hub cities by linking them with previously unserved cities.

The trans-continental market, which before was served by only a handful of carriers, now has eight. Explains one industry expert: "The airlines are using their planes in places where they can cover marginal costs most fully, and, maybe in the short run, stimulate some traffic."

In these times, when most of the major airlines' earnings are severely pinched, they have to make efficient and proper use of their assets.

Further, most carriers have a tremendous overcapacity in wide-body jets which are uneconomical on short flights but not on the long hauls.

Going trans-continental also lessens the airlines' dependence on seasonality of business. Eastern has been getting the lion's share of its business during the winter months on its north-south service. By flying east-west and international, it hopes to lessen the severity of this business cycle.

The "hub city" idea has been adopted by one and all. Delta pioneered the idea; now others have seen the light.

The hub is the market stronghold or fiefdom of any given airline. The biggest carriers have several hubs, weaving their webs of strength across the country.

But most operate from one central city: for United, it's Chicago; for Eastern, Miami and Atlanta; for Delta, Atlanta; for American, Dallas; for USAir, Pittsburgh; for Republic, Detroit; for Continental it's Los Angeles.

This allows the airline to give continuous service to customers.

For instance, when the passenger goes from Los Angeles to Charleston, South Carolina, he is able to fly Eastern all the way — with one stop at hub city Atlanta.

Hubs also provide the airline with a significant marketing advantage; the passenger no longer must change airlines at major airports to reach his destination. Should he consider doing so, the airline offers incentives to change his mind; a continuing flight on the same airline often only costs a few dollars extra. Those who fly the *most* miles on a given carrier are rewarded by free flights in the future or reduced fares. American, TWA, Eastern and United have specialized in this.

The PATCO strike hurt carriers that put all of their eggs in one basket in the form of hubs. No airport has been operating at full capacity, and as a result, many carriers have been forced to cut back on daily flights anywhere from 10% to 25% depending on traffic volume at the airport. Carriers are getting around the problem; rather than send out small aircraft, the larger planes in the fleet are being used to accomodate passenger demand.

Media usage in the airline business has increasingly shifted to newspapers. As price advertising has become more frenetic, more airlines are pouring dollars into newspapers to promote discount fares and accompanying promotions. Radio has also been a recipient of more media dollars.

"United knows, if you've only seen Honolulu, you haven't seen Hawaii."
fly the friendly skies of United.

Bill Alenson, United's new advertising director, cites the importance of the Hawaiian route for his airline.

The most recent figures from Media Records, the firm which records newspaper expenditures by market, shows the dramatic change: in 1979, all carriers spent a total of $147,793,000 in the newspapers surveyed by Media Records — in 1980 they spent $186,793,000, a 26% increase.

According to decision-makers who were willing to respond to the question, budgets for all carriers will be flat in 1982. But allocation of dollars will change.

Television, these sources say, will increasingly be drained as more money is channeled to newspapers and radio. Magazines don't stand to fare well in this competitive environment either.

Net tv is proving efficient only for those carriers who have national systems — and even they are re-thinking their network buys. Corporate, image, and umbrella advertising is best suited to network, buyers claim. But in an environment where the retail approach is most valued, network advertising is best suited to the leisure travel market — whose numbers have been precipitously dropping during the recession.

Barter has become a novel approach to saving money in the face of flat or declining budgets, although many advertisers frown on this approach.

Continental, according to ad director Warren Rucker, has the most organized barter program. In Continental's case, all radio stations are approached on a cash/barter basis ($2 million out of a world-wide $20 million budget will be bartered in '82). Simply put, many of Continental's spots are purchased with airline seats. Station management has access to seats like any line of credit: when the value of spots traded runs out, so do the seats.

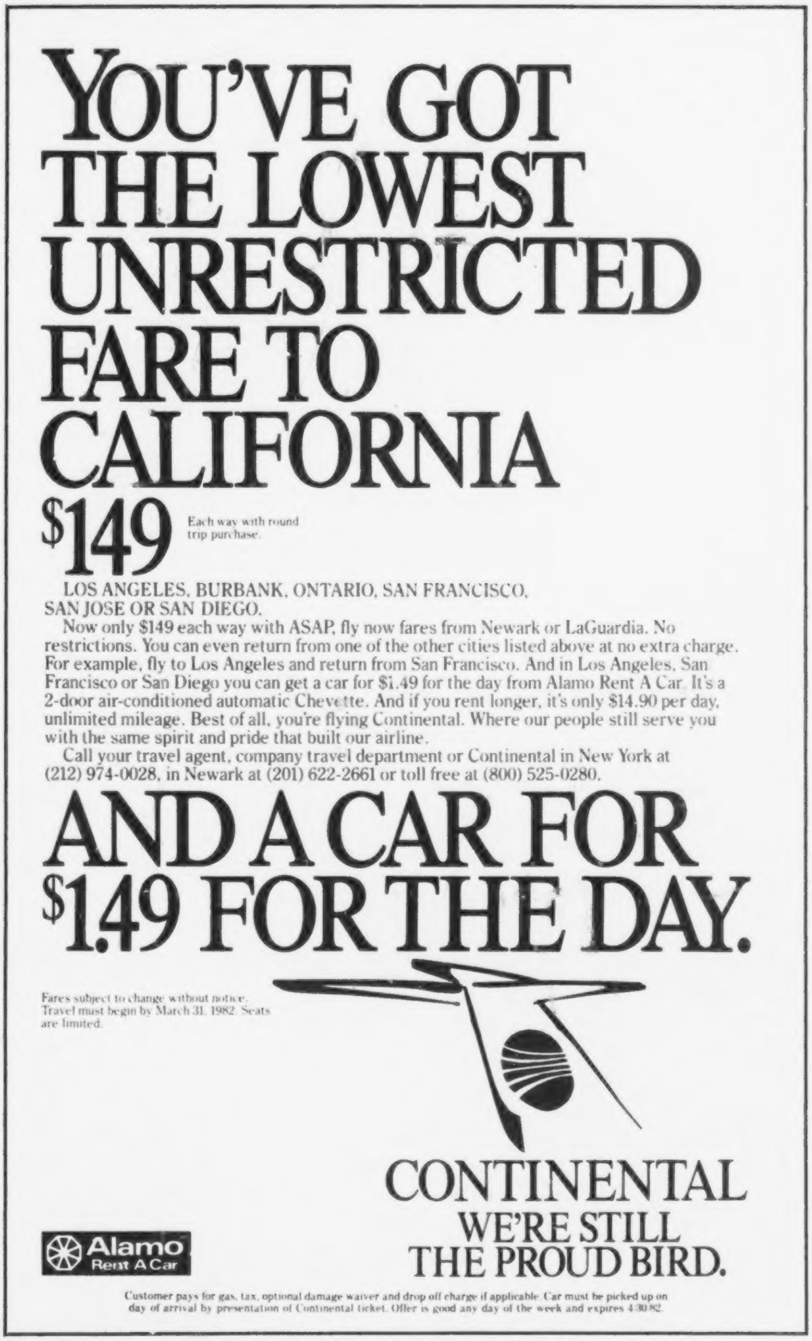
TWA recently introduced "a legitimate brand new product," says a spokesperson for the airline, in a business where product innovation is often limited to free headsets or meals. The airline's wide-bodies were remodeled to accomodate business flyers — seats are larger, and the new cabin, couched between 1st class and coach, is roomier. The Ambassador Class was successful in Atlanta flights and in Europe.

Targeting the business flyer is not unusual; all carriers recognize the importance of building brand loyalty among frequent flyers — who are often business travellers.

Competitors caused trouble for TWA, using discounts to lure business flyers to their own first class sections. Prices on first class — or "front of the bus" — dropped and TWA was forced to respond. This is frustrating for TWA, says the spokesperson, because "trial of our new product is definitely taking place."

Advertising incorporates both price and comfort messages. Wilt Chamberlain and Kareem Abdul-Jabbar sit side by side in plugs for Ambassador comfort. Price quotes for certain routes are sometimes incorporated into the copy.

Our source wouldn't comment on TWA's media spending habits but said



YOU'VE GOT THE LOWEST UNRESTRICTED FARE TO CALIFORNIA

$149 Each way with round trip purchase.

LOS ANGELES, BURBANK, ONTARIO, SAN FRANCISCO, SAN JOSE OR SAN DIEGO.

Now only $149 each way with ASAP, fly now fares from Newark or LaGuardia. No restrictions. You can even return from one of the other cities listed above at no extra charge. For example, fly to Los Angeles and return from San Francisco. And in Los Angeles, San Francisco or San Diego you can get a car for $1.49 for the day from Alamo Rent A Car. It's a 2-door air-conditioned automatic Chevette. And if you rent longer, it's only $14.90 per day, unlimited mileage. Best of all, you're flying Continental. Where our people still serve you with the same spirit and pride that built our airline.

Call your travel agent, company travel department or Continental in New York at (212) 974-0028, in Newark at (201) 622-2661 or toll free at (800) 525-0280.

AND A CAR FOR $1.49 FOR THE DAY.

Fares subject to change without notice. Travel must begin by March 31, 1982. Seats are limited.

CONTINENTAL
WE'RE STILL
THE PROUD BIRD.

Alamo Rent A Car

Customer pays for gas, tax, optional damage waiver and drop off charge if applicable. Car must be picked up on day of arrival by presentation of Continental ticket. Offer is good any day of the week and expires 4/30/82.

The Trans-continental market, once served by only a few carriers, now is criss-crossed by over eight.

that "all intelligence says that carriers are holding the line on budgets. What seems to be happening is a strong shift to newspapers and radio." TWA, he continues, uses spot tv for service messages.

Contrary to overall industry habit, TWA uses a broad range of magazines, through budgets are not hefty (LNA shows 1981 buys through November at $327,800). *Ebony, Black Enterprise, Working Woman, Newsweek, Time, Forbes,* and *Fortune,* among others, were used last year.

Delta's advertising is dominated by "our incredible bent towards retail," according to ad director Lee Sport. Indeed, Delta has set much of the pace in the retail scramble.

Delta shocked its competitors on the Florida corridor by reducing coach fares up to 51% this Christmas, according to spokesman Jim Ewing. The concept was called "No-hassle" and it represented Delta's head-on commitment to compete with the "new guys who had come in with low, low fares," says Ewing.

Delta's advertising centers on three concerns of the traveller: when do you go, where are you going, and how much do you want to spend? Tv, radio and newspaper advertising address these; tv and radio sell vacation and destination as well.

Magazine advertising, centered in *The New Yorker,* the newsweeklies, *People, Southern Living,* and *Sunset* tout Delta's "professional" qualities.

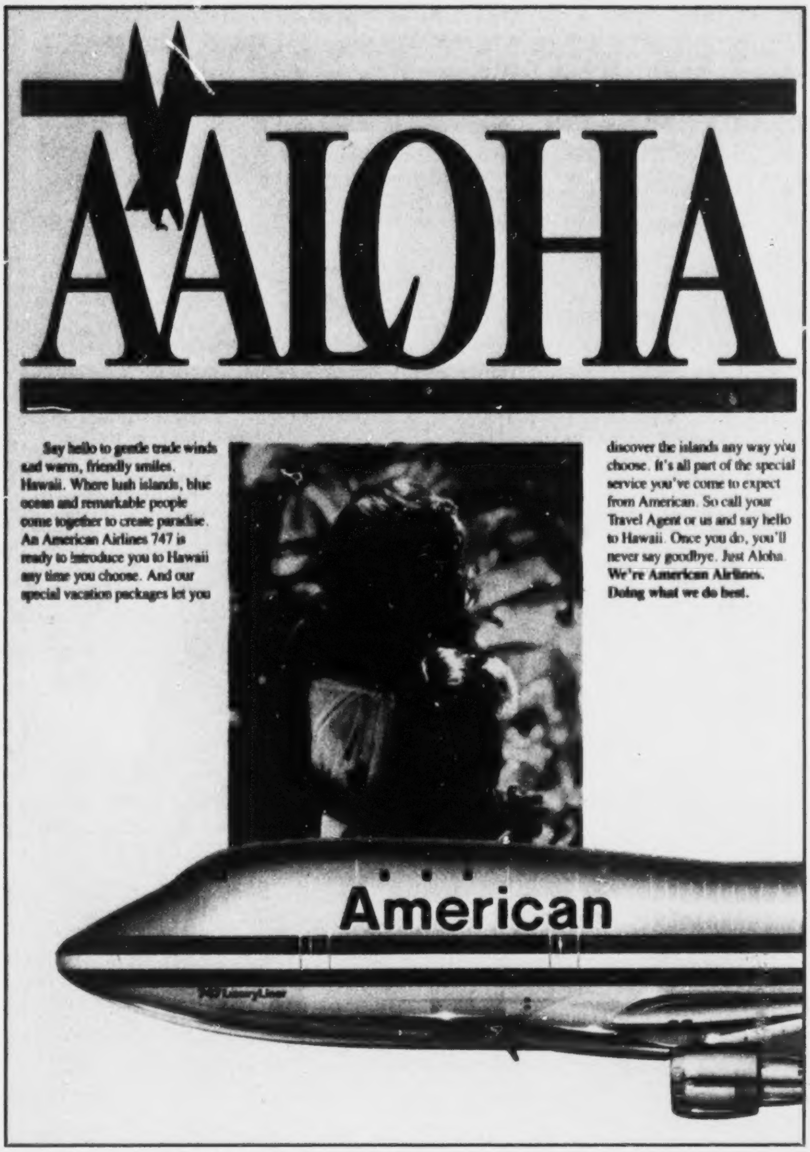
According to one observer, Delta is better prepared than any other carrier to meet the demands of the future. Its immediate response to the fuel crunch of 1974 was to buy smaller, more fuel efficient planes and there's little doubt that the smaller planes are best suited to the retail nature of the business today. 727-200's are replacing DC-9's for short haul traffic.

Pan Am, entering the darkest days in its 55-year history, is inscrutable to some and a paradox to others. Its behavior in the ad agency world (firing two agencies in one year's time) is explained by its dismal financial record, according to some observers. "You need to show the board that things are changing, and one of the easiest ways to do this is by changing agencies," says one.

Pan Am recently reported the heaviest full year loss in its history. Operating loss was $384 million, almost triple its 1980 loss, but net loss was $18 million because of the Pan Am building sale.

The airline's strategy focuses on hard-sell promotion and discount — similar to Chrysler at its nadir. To one insider, this retail approach bears the stamp of new chairman C. Edward Acker, who had success with this at his previous airline, Air Florida.

According to this insider, who preferred to remain anonymous, this retail approach has spelled problems for Pan Am. One year ago, he says, Pan Am had reached a critical point: service had deteriorated and frequent flyers took their business elsewhere. When


AALOHA
American

Say hello to gentle trade winds and warm, friendly smiles. Hawaii. Where lush islands, blue ocean and remarkable people come together to create paradise. An American Airlines 747 is ready to introduce you to Hawaii any time you choose. And our special vacation packages let you discover the islands any way you choose. It's all part of the special service you've come to expect from American. So call your Travel Agent or us and say hello to Hawaii. Once you do, you'll never say goodbye. Just Aloha. We're American Airlines. Doing what we do best.

Despite sun and fun, Hawaii is an increasingly tough market for airlines to crack because of the recession.

the company began to steadily improve service the new strategy "was to compete with discount traffic with the exclusion of the balance of the market" — namely the frequent, highly valued business flyer.

The retail approach is best known by Acker, who was appointed in September, 1981.

Acker's approach was at odds with some in middle management who wanted to win back the loyal passengers who had left. Says our source, "Pan Am didn't have a maintenance plan to sell the total product and there is little doubt that this has hurt the balance of their business."

Pan Am also made "a tactical error" when it failed to create an umbrella image for its total product.

Continental, like its brethren, concentrates much of its media fire power in its major hub markets. These are Denver, Los Angeles, and Houston. Radio and newspaper — with decreasing emphasis on tv — are used because "they have the shortest lead time and ad copy can be changed most quickly," says ad director Warren Rucker. Smaller secondary markets that feed into these hubs get supporting advertising but the difference is in frequency and size. Secondary markets like Orlando, Green Bay, Casper, and Grand Junction mostly see quarter-page units in the local press; large markets get half page units.

The plan allows for flexibility because of the volatility of the marketplace, according to Rucker. Should a competitor move in on one of its secondary markets Continental wants to be ready: Rucker claims schedules are then beefed up to defend the franchise. "There's nothing clean and neat about the business we're in," says Rucker. "Looking five weeks down the road is future planning for me. You're just spinning your wheels if you plan far out in the future."

Eastern is "re-examining a lot of things" according to ad manager William Dowse,

Preliminary evidence of new directions comes with the airline's heavier reliance on corporate advertising — with the tag line, "America's favorite way to fly." Dowse says the corporate thrust was given added steam after Eastern dropped Y&R for Campbell-Ewald.

The exigencies of the business are forcing this change, claims Dowse. Eastern's budget ($40 million in 1980, all media) is flat and maintaining brand awareness and share of voice are increasingly difficult in the crescendo of competition.

Dowse thinks maintaining brand image in such an environment is important — as well as maintenance of visibility in the all-important retail end of the business. The corporate umbrella strategy is getting broad play in tv (the Orange and Super Bowls) and in radio and print. Tv is also used in the winter to sell vacation spots.

Eastern's future media modifications will not be felt by newspapers, which will remain important in the airline's retail strategy.

Like Delta, Eastern has bombarded the industry with an enormous number of promotions and price reductions to boost traffic. More seats were added on all aircraft two years ago to increase the "load factor," or number of people on each plane.

Flights were increased from hub cities New York (where it is the number one carrier), Miami, and Atlanta; western destinations were bolstered as Eastern became a major factor in the trans-continental market.

South American

BUYING POWER...

...And their upscale lifestyles. Tap into this valuable market with the ABOARD group of inflight magazines.

Showcase your product or service within the pages of these prestigious bilingual publications carried by Latin America's premier airlines. Our readers reach for ABOARD to inform them about destinations, dining, shopping and more, all packaged in a quality editorial format.

Try us. You'll be traveling in excellent company.

Covering Latin America aboard: VIASA • LANCHILE • AEROPERU • AIR PANAMA • LLOYD AEREO BOLIVIANO • THE AIRLINE OF PARAGUAY • TACA

Aboard
Inflight Magazines

Published by: North -South Net, Inc.
2717 Ponce de Leon Blvd., Miami, FL 33134.
(305) 442-0752

Raleigh Durham

Only 10 Metro Markets in U.S. have as low an unemployment rate as Raleigh/Durham, N.C.

The News and Observer
THE RALEIGH TIMES
•
Durham Morning Herald
The DURHAM SUN

With one rate/one bill via

Branham
/NEWSPAPER SALES

All of this paid off: the "yield" — or average amount a passenger pays each mile flown — grew from 9 cents to 11 cents since 1979. But this growth was offset by increases in fuel prices and the discount craze.

Eastern's discount surge has been highlighted by its "Super 7" vacation package, its use of coupons, and its frequent-flyer bonuses. Eastern builds brand loyalty through a core of frequent fliers that travel over 200,000 miles per year. Says spokesman Tom Myers, "these people get a discount, a first class seat, or a free round trip, dependent on how many miles they travelled."

Coupons, introduced in January 1981 were given to all passengers and were good for 50% discounts on trans-continental flights. Coupons offered during the summer were good for $25 to $50. Coupons provided the traveller incentive to fly Eastern, but other carriers off-set this by accepting the same coupons on their own flights.

The "Super 7" vacation package, another Eastern innovation which Myers claims was widely copied, has flights to vacation spots. These are enhanced by the addition of hotel and car. The price per person runs about $375.

United is big on "Friendship" this year, a new program designed to net the short-haul traveller. This is United's response to the stiff competition coming from the small regional carriers, which have made tremendous inroads through fare reduction. Flights carry passengers between short points like Cleveland to New York or Portland to Seattle (none of the Friendship flights are trans-continental.)

Like the aggressive regionals, United made fares competitive, reconfigured aircraft seating to add more passengers, and increased the frequency of flights. Flights are now "no-frill," or, as spokesman Charles Novak says, "similar to a shuttle service."

Advertising stresses United's experience over the other carriers on the same route — and its "friendliness."

Tv is used mainly on the West coast, backed up by radio and newspapers, which are the flexibility factors in United's media strategy. East Coast markets primarily get radio in place of tv because of their smaller size (United has a minor presence in New York).

"Tv's purpose is to generate as much awareness as possible," says director of advertising and promotion Bill Alenson. "Newspapers lay down the offer." Spot radio is used in key markets to position United as a "low-priced" carrier. The same soundtrack is used on both radio and tv spots with actor Tom Poston in humourous sketches.

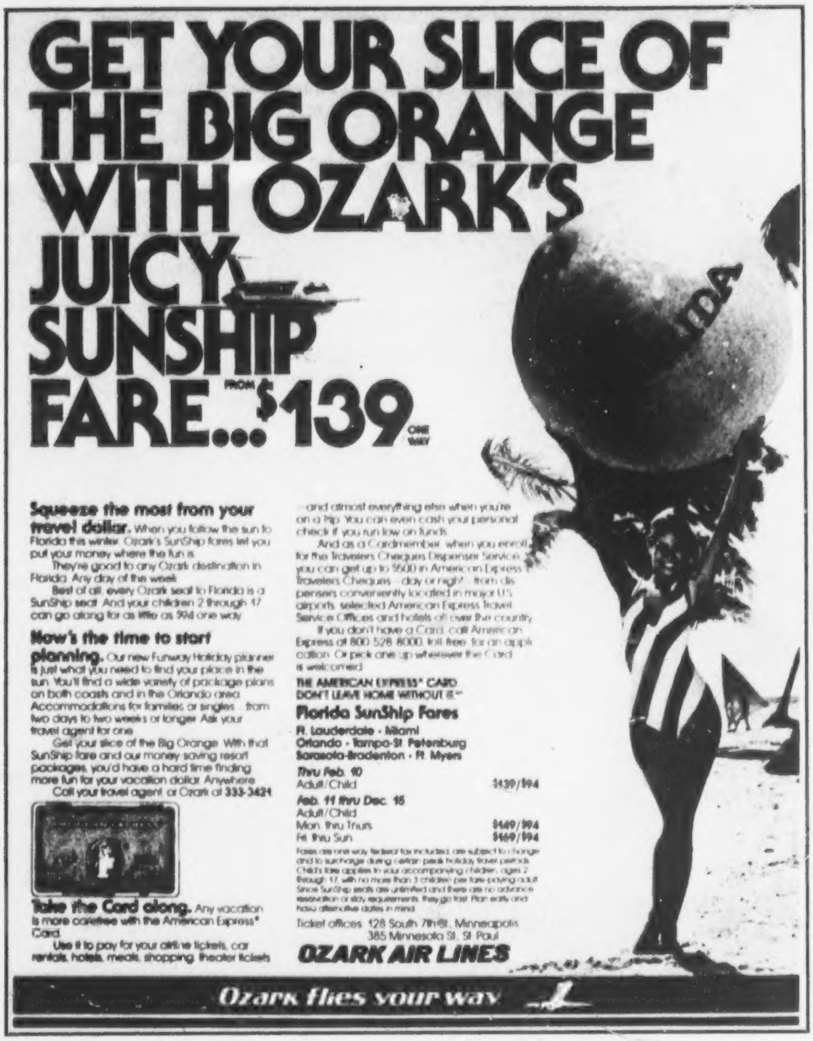
The business traveller is important to United. This individual makes five to ten trips per year, is between the ages of 25 and 54, and makes $25 - 30,000 plus. "We talk to them where ever we can find them," notes Alenson. Tv sports and news are important vehicles here.

For frequent flyers, United has the Mileage Plus program, which promotes benefits via direct mail. Travellers going over 80,000 miles annually get free trips or are up-graded from coach to first class. The frequent traveller also gains entry to airport clubs.

The leisure traveller is proving more elusive for United — a problem because its high volume leisure destinations like Hawaii and Flordia are experiencing depressed traffic. The Hawaiian route, hotly contested between United and American, is supported by tv spots and newspaper that sell vacation packages. United also sponsors tv events that tie in with program content; a recent example was its partial sponsorship of ABC's All-Pro Bowl held in Hawaii.

Republic is a big airline — possessor of the fifth largest fleet and the fourth largest in passenger revenue. But like the other giants in the sky, Republic is having its share of problems. It lost $53 million in 1981 because of slumping passenger loads and high interest rates, and is plagued by the original financial problems of its merged parts, Hughes AirWest, North Central, and Southern Airways.

When Republic was created from the union of North Central and Southern in 1979 (Hughes AirWest was added in 1980) it quickly asserted its presence in media. Republic's immediate challenge: to fill seats in the planes leaving from and arriving at its dozens of small markets.


GET YOUR SLICE OF THE BIG ORANGE WITH OZARK'S JUICY SUNSHIP FARE... FROM $139 ONE WAY

Squeeze the most from your travel dollar. When you follow the sun to Florida this winter, Ozark's SunShip fares let you put your money where the fun is.

They're good to any Ozark destination in Florida. Any day of the week.

Best of all, every Ozark seat to Florida is a SunShip seat. And your children 2 through 17 can go along for as little as $94 one way.

Now's the time to start planning. Our new Funway Holiday planner is just what you need to find your place in the sun. You'll find a wide variety of package plans on both coasts and in the Orlando area. Accommodations for families or singles — from two days to two weeks or longer. Ask your travel agent for one.

Get your slice of the Big Orange. With that SunShip fare and our money saving resort packages, you'd have a hard time finding more fun for your vacation dollar. Anywhere.

Call your travel agent or Ozark at 333-3424.

Take the Card along. Any vacation is more carefree with the American Express® Card.

Use it to pay for your airline tickets, car rentals, hotels, meals, shopping, theater tickets — and almost everything else when you're on a trip. You can even cash your personal check if you run low on funds.

And as a Cardmember, when you enroll for the Travelers Cheques Dispenser Service, you can get up to $500 in American Express Travelers Cheques — day or night — from dispensers conveniently located in major U.S. airports, selected American Express Travel Service Offices and hotels all over the country.

If you don't have a Card, call American Express at 800-528-8000, toll free, for an application. Or pick one up wherever the Card is welcomed.

THE AMERICAN EXPRESS® CARD
DON'T LEAVE HOME WITHOUT IT.SM

Florida SunShip Fares

Ft. Lauderdale · Miami
Orlando · Tampa-St. Petersburg
Sarasota-Bradenton · Ft. Myers

Thru Feb. 10
Adult/Child $139/$94

Feb. 11 thru Dec. 15
Adult/Child
Mon. thru Thurs. $149/$94
Fri. thru Sun. $169/$94

Fares are one way, federal tax included, are subject to change and to surcharge during certain peak holiday travel periods. Child's fare applies to your accompanying children, ages 2 through 17, with no more than 3 children per fare-paying adult. Since SunShip seats are limited and there are no advance reservation or stay requirements, they go fast. Plan early and have alternative dates in mind.

Ticket offices: 128 South 7th St., Minneapolis
385 Minnesota St., St. Paul

OZARK AIR LINES

Ozark flies your way

Newspaper ads stress price and schedule. This one broke in February and was backed up by tv, radio, and outdoor.

Campbell-Mithun, Inc. Minneapolis was assigned in late December and instructed to break a campaign within 18 working days. "The objective was to get the cash registers ringing as quickly as possible," says director of advertising John Harty. "Seats go quickly; potential for loss is high."

The budget for 1982 has been set at $20 million; nearly half of this will be splurged in the first three months as Republic strives to bolster its national recognition. "After this," says Harty, "we'll go back to retail selling on a local basis. Starting this spring we'll maintain awareness with local spot and newspapers. In the fall, we'll run another national campaign."

Net tv is used for national awareness (in programs like *FDR Remembered* and the *Golden Awards*), along with the newsweeklies. The patriotic tagline: "Nobody serves our Republic like Republic."

Local media depends on the importance of the market, says Harty. Republic has 13 "A" markets, including Detroit, Chicago, Atlanta, Milwaukee and Phoenix, served by heavy flight schedules. "B" cities are smaller and numerous — Grand Rapids, Reno, and Green Bay are examples. Weight in newspaper, radio, and outdoor depends on market size and flight frequency.

Harty stresses the importance of media in the "B" markets where a significant portion of Republic customers fly from. "We bring people from smaller markets to larger ones," he says. In this respect, Republic is the opposite of United, which dumped many of Republic's cities after deregulation.

Harty claims Republic is the largest user of outdoor in the industry: it will spend $2.8 million this year on about 175 billboards in 60 markets.

Outdoor copy reflects newspaper ads; Republic's destinations and the fare structure are featured.

In what may be one of the more unusual promotions, Republic is giving free rides to kids who show up with five Ralston-Purina cereal box tops. The only hitch: they must be accompanied by a full paying adult.

American continues to enhance its love affair with the state of Texas, first moving from New York to Dallas two years ago; then continuing to bolster Dallas as its major hub; moving its $40 million account from Doyle Dane Bernbach to Bozell & Jacobs/Dallas; and adding new routes monthly to Texas cities and other Sunbelt spots.

American has been involved in the fare skirmish chiefly with competitors on its sun routes. Braniff multiplied its presence in the south after deregulation and regional carriers like Texas International and Southwest began to reap gains.

"We've drastically reduced our fares because of this competition," says American's David Lobb. "Braniff has reduced to indecently low levels and we had to match and are losing our shirts." American had a 1981 profit of $47 million after a 1980 loss of $75 million.

American uses a broad selection of media: 1980 LNA pegs expenditures at $42 million with major outlays in spot tv, radio, and newspaper (net tv plays a minor part). Destination advertising features Caribbean vacation spots, Hawaii, and new Mexican ports Cozumel and Cancun.

Midway is strictly a windy city carrier — it's named after the airport it flies out of and all flights depart and return to Chicago from other markets. There is no interconnection. Midway sees this as an important selling point. "Our non-stop flights are an advantage over the pedaljumpers," says Robert Wolf of Robert J. Wolf & Assoc., Midway's agency. "They'll sell a fare and stop five times" before arriving.

Midway's market is the business person — seeking cheap no-frills and expeditious travel arrangements. Midway employs a "wholesale" concept, telling the business traveller that he'll fly to New York at 30% to 50% under what he used to pay — and his connection will be at convenient Midway Airport in Chicago.

$1,000,000 is divided equally between radio, tv, and newspaper, says Wolf. Some support strategy comes from outdoor. Tv, especially important in Chicago, targets men in news, early evening programing, and sports.

People Express president Gerry Gitner has a fairly simple view of his airline's market: "everybody who is interested in going to one of our cities." Because People Express makes little differentiation in its market, media selection is across the board and especially heavy in New York, where the airline is centered and is still struggling for a foothold in the extremely competitive market.

PE is tapping some previously undefined segments in the airline business: non-flyers, or drivers, which many of the regional carriers are aggressively seeking, the small business traveller who previously shunned air travel because of expense, the military market, and the college market. Says Gitner, "80% of our operation is in New York, so our media weight is here. We wanted to build this market in terms of the number of flights serving it."

A tv campaign broke in February which, Gitner says, is a "multi-hundred thousand dollar one." It is an across-the-board, high frequency buy on New York stations, employing movies, primetime, news, late night, and sports. Spots reflect the radio ads currently in place on NY stations which parody the hard-sell methods of the major carriers. The radio spots "provide information" and are slated on all-news and highly rated stations.

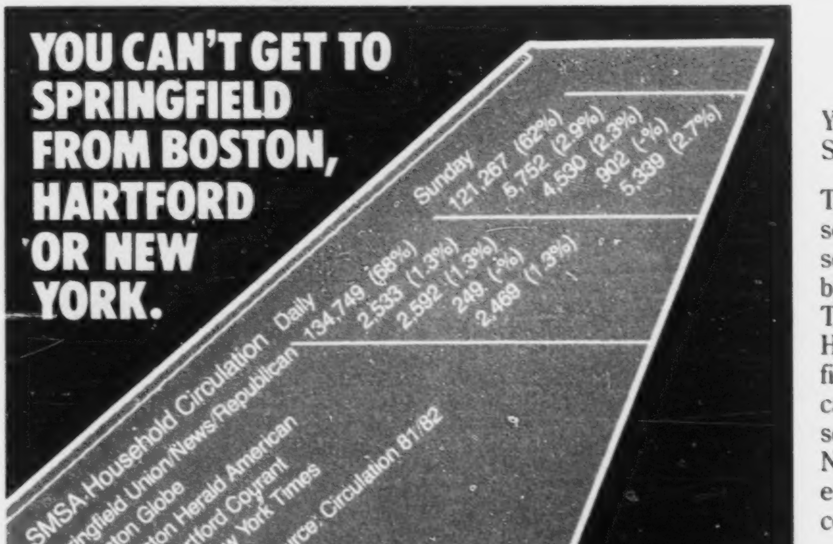
Southwest's media expenditures, the largest of any of the regional trunks in '82, will be fueled by the addition of new cities. Southwest is currently a major force in Texas skies, with planes also flying to three adjoining states. New cities opened in January include Los Angeles, San Diego, and Phoenix, Arizona.

Like the other regionals, Southwest is characterized by a simple fare structure — between 6:30 am and 7 pm every seat is the same price and cocktails are complimentary. Southwest also has "cash register" ticketing. Its market is the mass transit commuter and primarily male.

Southwest's '82 media expenditure of $3.5 million will be 28% in radio, 37% in newspapers, and 35% outdoor. Radio, says vp of marketing Tom Volz is "one quarter for image and awareness, the rest for price and frequency of flights."

Southwest's outdoor buy serves as the blitz medium in the new markets; newspapers are used for continuity, says Volz.

Verne Gay


YOU CAN'T GET TO SPRINGFIELD FROM BOSTON, HARTFORD OR NEW YORK.

SMSA Household Circulation	Daily	Sunday
Springfield Union/News/Republican	134,749 (68%)	121,267 (62%)
Boston Globe	2,533 (1.3%)	5,752 (2.9%)
Boston Herald American	2,592 (1.3%)	4,530 (2.3%)
Hartford Courant	249 (-%)	902 (-%)
New York Times	2,469 (1.3%)	5,339 (2.7%)

Source: Circulation 81/82

You have to use the Springfield Newspapers.

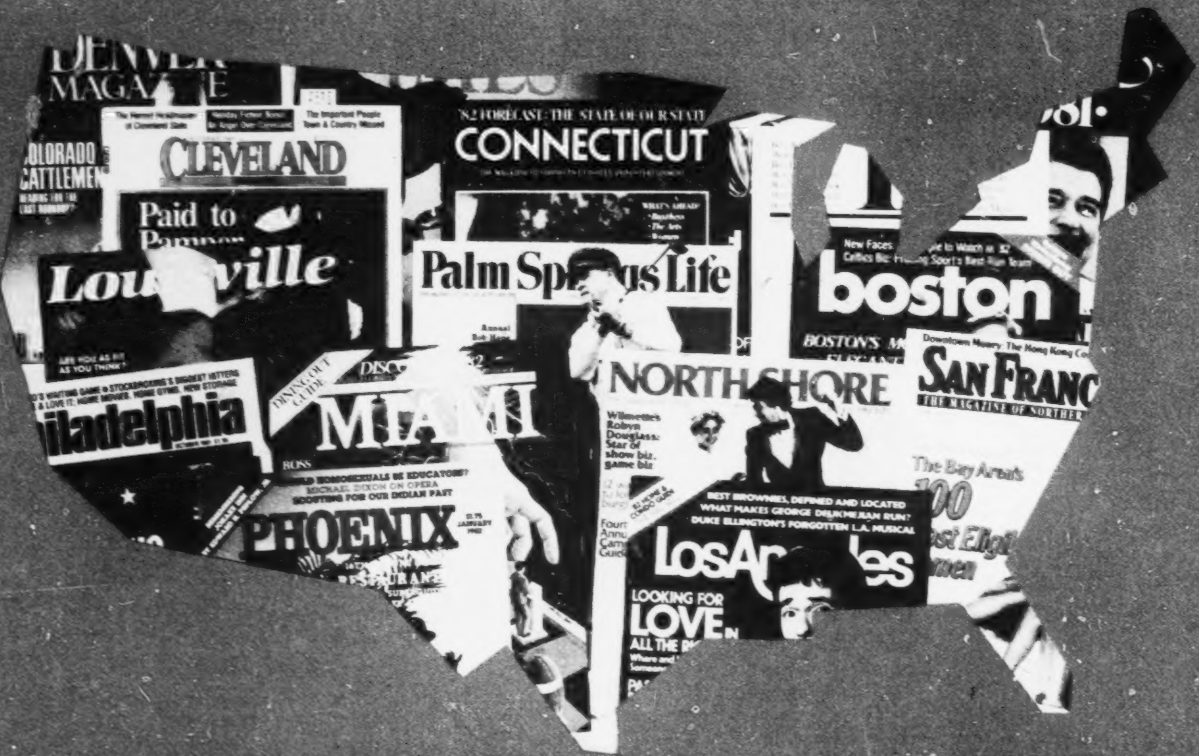
The rich, Western Massachusetts travel market is well-served by nine airlines, but not by any out-of-town newspaper. The idea of buying Boston (or Hartford) to reach the Springfield market just won't fly. You can't reach Western Massachusetts without the Springfield Newspapers. And without Western Massachusetts you're not covering New England!

Call Andre Lareau,
Travel/Resort Advertising
(413) 788-1061

The Springfield Newspapers

Largest in Massachusetts Outside Boston
Represented by Newhouse Newspapers

SPECIAL
REPORT


DENVER MAGAZINE
COLORADO CATTLEMEN
CLEVELAND
'82 FORECAST: THE STATE OF OUR STATE
CONNECTICUT
Paid to Pamper
Louisville
Palm Springs Life
boston
BOSTON'S
NORTH SHORE
SAN FRANC
THE MAGAZINE OF NORTHER
Philadelphia
MIAMI
PHOENIX
LosAngeles
LOOKING FOR LOVE
The Bay Area's 100

City and state magazines

Local magazines have grown tremendously in recent years in editorial status — and in advertising value to certain advertisers. They still get 85% of their ad revenues regionally, but are a significant alternative to target marketers both for product advertising and corporate image communications.

"City books happen to have concentration where we do well!"

This is a typical comment of national advertisers we spoke to in preparing this report.

To that add upscale audience with a high educational level and an active community interest and you have the basic reasons why national advertisers buy these localized magazines.

A lot of them originated as house organs for the local chambers of commerce, but if you haven't perused a selection of them recently, you might be in for an awakening. Localized they still are, but they are up-beat, high class, well-printed vehicles that, almost out of necessity, are continuing to be carriers of local/regional advertising. But in there you will also find a growing number of advertisers with national interests, seeking good color in local media.

The reasons for using them differ, as the case histories in this report illustrate, but the key comment that comes up time and time again is "upscale audience."

The factors that users of city magazines mention most often are as follows:

- There are now more than 200 magazines in this category, but there is no official count. The CRMA (City and Regional Magazine Association) has acquired 34 members since its founding in 1979. All its members are ABC audited or publications that have applied for membership. These tend to be the bell-weather books.
- Ad page growth can be seen in the track record of 20 of the magazines in 1976 to 1980 — up 46% in total ad pages in five years.
- Paid circulation for these same 20 books has grown by 57% in the same five-year period.
- Packaged goods distributed through supermarkets are being advertised to an ever greater extent in the pages of the city and state local magazines.
- High ticket items — like automobiles and appliances — most of them placed by retailers, some of them co-op, are still in evidence.
- A great many of the books have national reps seeking contracts on a commissionable basis, and they are getting an increase in orders from national advertisers. The reps, obviously, are not interested in co-op pro-

Growth of city and regional magazines† 1976 — 1980

Ad pages up 46% in five years
1976 — 14,949
1977 — 17,994
1978 — 20,771
1979 — 21,742
1980 — 21,796

Paid circulation up 57% in five years
1976 — 926,823
1977 — 1,101,397
1978 — 1,275,079
1979 — 1,375,432
1980 — 1,453,965

† Same 20 magazines in each year.
Source: City & Regional Magazine Assn.

Demographics of city magazine readers

Sex	
Male	47.7%
Female	52.3%
Age	
Median (years)	42.2
18-49	64.7%
Education	
Attended high school	98.8%
Graduated high school	96.1%
Attended college	78.3%
Graduated college	53.5%
Post-graduate work	32.3%
Marital status	
Married	69.8%
Single	19.8%
Separated, divorced, etc.	10.4%
Adults in household (average)	2.5
Children under 18 (average)	1.8
Household income	
Median	$42,375
$15,000 & over	93.4%
$25,000 & over	79.8%
Membership	
Board of directors	17.4%
Number of organizations (median)	3.9
Held office (median)	2.2
Occupation	
Business management/ administration	40.2%
Other business activity	14.9%
Professional/technical services	22.9%
Government	6.4%
Other	15.7%
Purchasing responsibilities (selected)	
Company cars	19.6%
Data processing equipment	17.8%
Computer services	13.7%
Business aircraft	2.0%
Business gifts/premiums	22.1%
Convention/meeting facilities	16.0%
Business travel arrangements	33.0%
Home ownership	
Primary home	78.7%
Second home	15.9%
Car ownership	
Average	2.0
One	30.4%
Two	43.7%
Three or more	22.4%
American cars bought new (top ten) (Base: Adults owning an American car bought new)	
Chevrolet	26.3%
Ford	19.2%
Oldsmobile	14.0%

The 22 magazines researched in the 1981 study include: Arkansas Times, Baltimore Magazine, Boston Magazine, Chicago Magazine, Columbus Monthly, Connecticut Magazine, D Magazine, Denver Magazine, Honolulu Magazine, Houston City Magazine, Miami Magazine, Nashville!, New Jersey Monthly, New Mexico Magazine, Pacific Northwest, Philadelphia Magazine, Phoenix Magazine, Richmond Lifestyle, St. Louis Magazine, San Diego Magazine, San Francisco Magazine, The Washingtonian.

* Unless otherwise specified, italic type relates to primary households; roman type refers to primary readers

Source: The primary audiences of city and regional magazines conducted by Don Bowdren Associates for the City & Regional Magazine Assn.

grams because there is no opportunity to get a piece of the action.

- The preponderance of space sold in the local magazines continues to be local. And the magazines themselves are seeking to build up their use on a co-op basis, although the file of unused co-op money is extensive. More co-op will doubtless be funneled into the city and state books from now on.

Source for demographics in city and state magazines is Don Bowdren Research, which did the major analysis sponsored by CRMA.

What the research shows

The sellers believe that a real breakthrough in national advertising will not occur "until they show up in the computerized audience data printouts that seem to be a necessity these days in the agency media decision making process." This comment is from a publisher who does not wish to be named.

Is there data? Yes. Two years ago there was great interest in the first study about to be done by Don Bowdren. This analysis of audience covered but 12 magazines. In 1981, the

The primary audiences of city & regional magazines

Following are some comparisons between Bowdren's 1979 study of 12 CRMA member magazines and the 1981 survey of 22 publications.* They show the economic growth over two years among the readers of city and regional publications, as well as the basic stability and consistency in such attributes as occupation and education from year to year and among city and regional magazines as a group.

	1981	1979
Education		
College graduates	53.5%	52.0%
Graduate work	32.3%	31.2%
Postgraduate degrees	20.7%	20.1%
Occupation		
Business management and administration	40.2%	39.6%
Management responsibilities	61.8%	59.5%
Household income		
Median	$ 42,375	$ 34,485
Average	$ 60,316	$ 45,480

---

* Both studies included the following magazines: Boston, Chicago, D, Nashville!, New Jersey Monthly, Philadelphia, San Diego, and The Washingtonian. The 1979 study also includes Atlanta, Cleveland, Cue/New York, and Monthly Detroit. The 1981 study added Arkansas Times, Baltimore, Columbus Monthly, Connecticut, Denver, Honolulu, Houston City, Miami, New Mexico, Pacific Northwest, Phoenix, Richmond Lifestyle, St. Louis, and San Francisco.

Source: City & Regional Magazine Assn.

Demographics of city magazine readers (continued from 176)

Buick	10.4%
Pontiac	8.1%
Cadillac	7.1%
Dodge	7.1%
Plymouth	5.0%
Mercury	4.8%
Chrysler	2.8%
All others	0.1%-2.5%

Imported cars bought new (top ten) (Base: Adults owning an imported car bought new)

Toyota	7.9%
Datsun	7.6%
Volkswagen	7.1%
Honda	4.9%
Mercedes	2.6%
Volvo	2.6%
Mazda	1.7%
BMW	1.6%
Audi	1.5%
Fiat	1.2%
Subaru	1.2%
All others	less than 1%

Types of new cars purchased (Base: New car owners)

American (medium and large)	52.3%
American (Compact and sub-compact)	22.2%
American (vans, trucks, etc.)	12.3%
American (station wagons)	10.7%
Import (low-priced cars)	24.8%
Import (medium and high-priced)	11.3%
Import (station wagons)	3.9%
Import (vans, trucks, etc.)	2.0%

Recreational vehicles owned (selected)

Pick-up trucks	12.9%
Motorcycles	5.9%
Power boat	8.2%
Sailboat	4.3%

Car rented/leased in past year

Rented	34.8%
Leased	4.5%
Both	1.9%

Beverages consumed/served (selected)

Blended whiskey	21.1%
Straight bourbon	26.7%
Scotch whisky	42.6%
Canadian whisky	14.3%
Beer/ale — domestic	57.7%
Beer/ale — imported	20.8%
Liquers/cordials	30.1%
Vodka — domestic	24.8%
Vodka — imported	17.6%
Gin — domestic	14.8%
Gin — imported	17.4%

Sports participation in past year (selected activities)

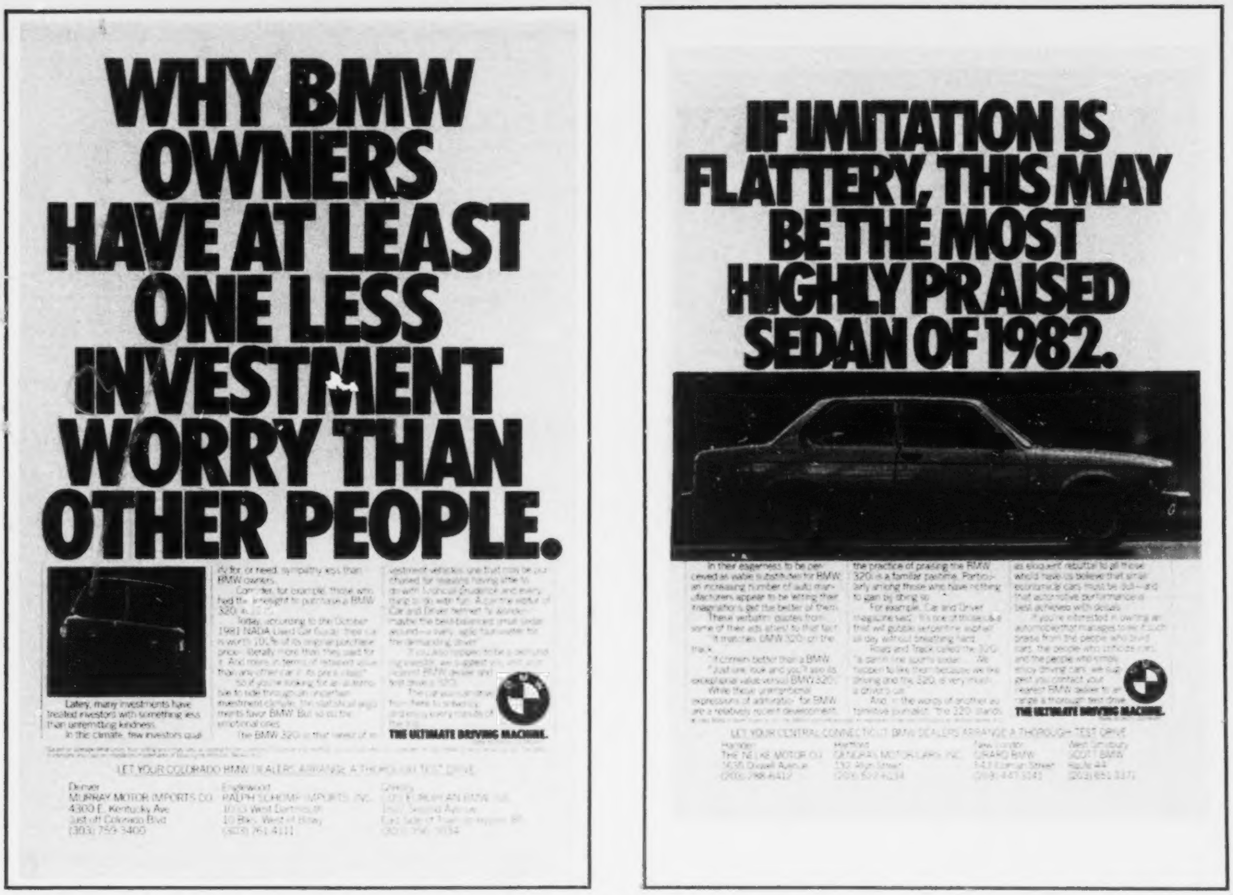
Bicycling	40.7%
Golf	24.1%
Tennis	31.4%
Camping	21.2%
Squash/racquetball	17.9%
Jogging	32.0%

Air trips in past year (average number)

Pleasure — domestic	3.0
Pleasure — foreign	1.6
Business — domestic	4.7
Business — foreign	2.1

Cruises in past three years

Average number	1.3


WHY BMW OWNERS HAVE AT LEAST ONE LESS INVESTMENT WORRY THAN OTHER PEOPLE.
THE ULTIMATE DRIVING MACHINE.
IF IMITATION IS FLATTERY, THIS MAY BE THE MOST HIGHLY PRAISED SEDAN OF 1982.
THE ULTIMATE DRIVING MACHINE.

BMW pages in city magazines direct regular display copy to upscale audiences, then add where-to-buy locations at bottom. Ad at left in *Denver* magazine tells where to buy in and around Denver. Ad at right tells where to go for a test drive in Connecticut in *Connecticut* magazine.

second study, covering 22 magazines, came to fruition.

The different base -- 12 against 22 — might make them a world apart in comparability but here are some of the comparative findings:

They tend to match in hard core demographics but spread far apart in areas that tend to be affected by inflation. For example: Education: 1981 — college graduates — 53.5%; 1979 52.0%. Occupation: business management and administration — 40.2% in 1981, compared with 39.6% in 1979.

But when elements are measured on a dollar basis, the difference is much greater. Allowing for inflation, the differences are extreme.

For instance: Household income — $42,375 in 1979 against $34,485 in 1981; value of primary home — $93,435 against $75,725; household investment portfolio — $44,336 against $34,260.

Bowdren's data includes primary household and primary reader counts. It does not include pass-alongs.

Nobody doubts the readership of these city/regional books but they would prefer total audience research instead of primary readers of primary households as the base of the reported audience statistics.

The sellers are seeking ways to further extend the Bowdren audience counts — as well as add other statistics that will help national advertisers judge their values.

The national/local dilemma

A knowledgeable source in the field says that the national advertising activity in these magazines ranges from 10% to 20%. A couple of years ago another spokesman for these magazines said 85% local. So the picture hasn't changed much in total.

One seller of these media put it bluntly: "If there were too much national advertising in these magazines they would be out of business." Being local by design they have to maintain the support of local advertisers. "If they didn't, they wouldn't get any national advertising, as the national spenders would feel that they do not have local support."

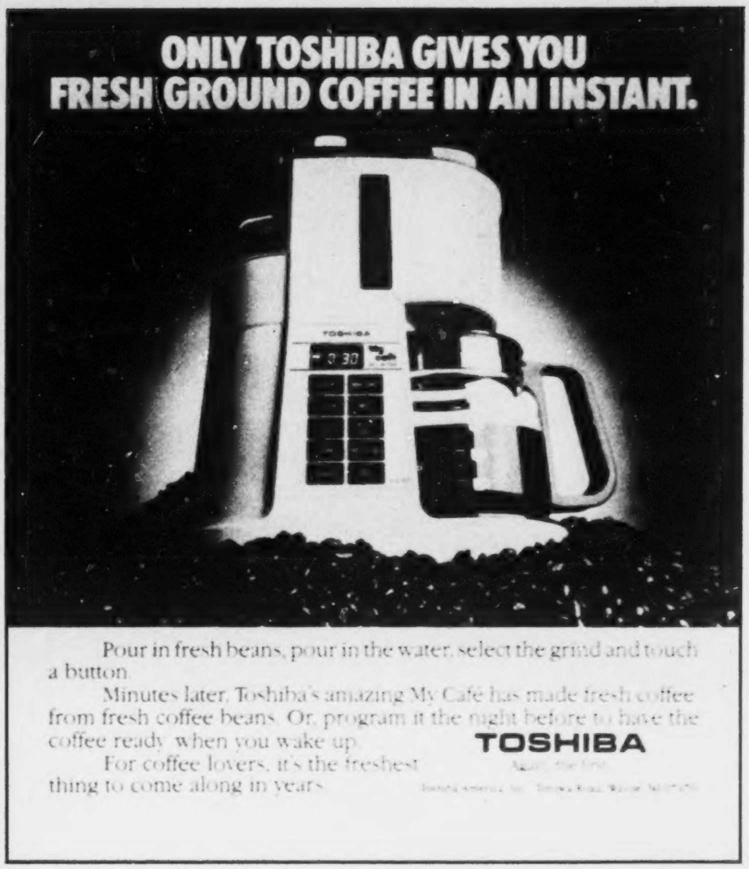
So, there is an impasse. National success could be local failure.

What product advertisers say

Our main purpose in this report is to show how and why national advertisers make use of the city and state books. Here are typical observations from a range of national advertisers.

Toshiba in small space. Fractional page space is most often the rule when it comes to local advertisers. National advertisers most often place full page ads or more. But national advertising in fractional space is unusual.

Toshiba America, Inc. is doing just that in the top ten markets. This is their first effort with fractional space (square thirds), having used full page


ONLY TOSHIBA GIVES YOU
FRESH GROUND COFFEE IN AN INSTANT.
TOSHIBA
0:30

Pour in fresh beans, pour in the water, select the grind and touch a button.

Minutes later, Toshiba's amazing My Café has made fresh coffee from fresh coffee beans. Or, program it the night before to have the coffee ready when you wake up.

For coffee lovers, it's the freshest thing to come along in years.

TOSHIBA

Again, the first

Fractional ads for Toshiba, this one-third square, are found positioned opposite each other on spreads in city books to help stretch a limited ad budget.

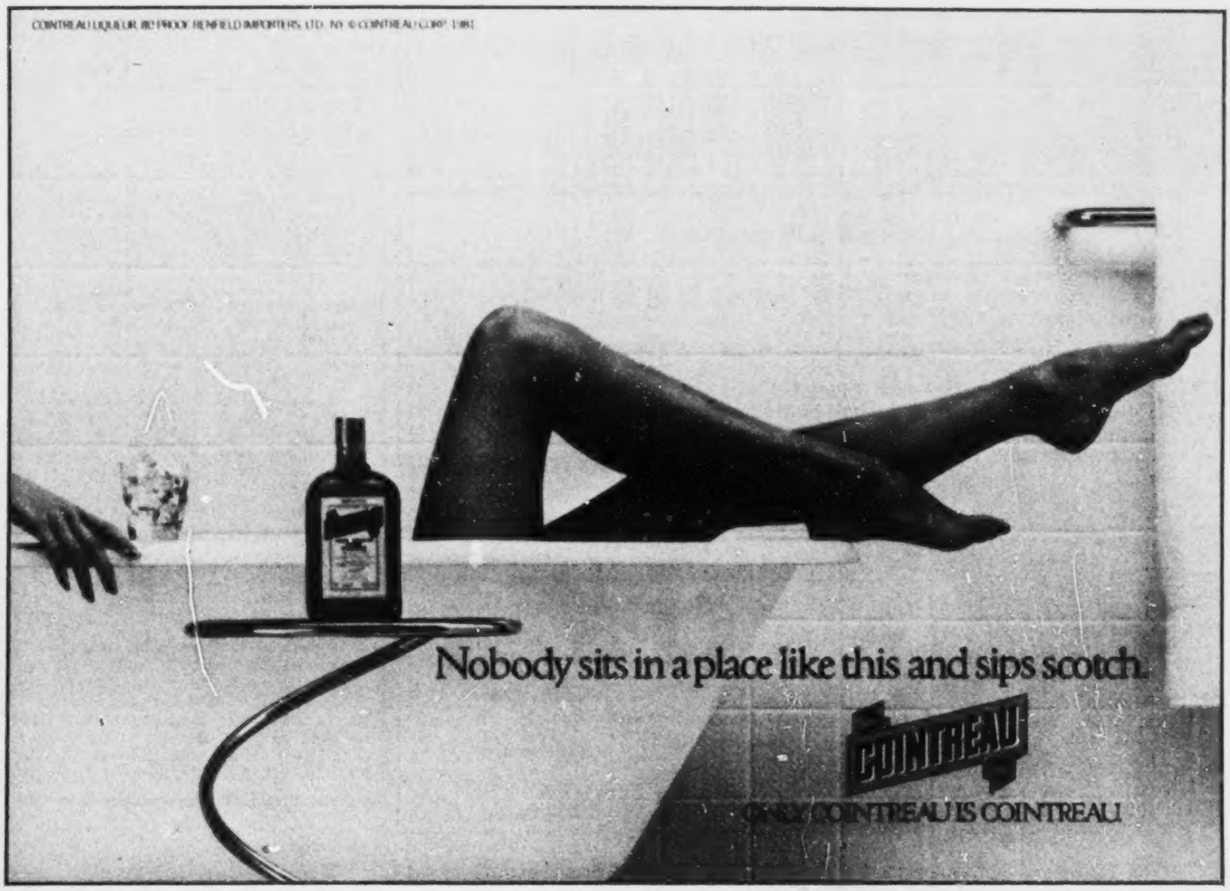
space in the past. The effort is in behalf of two of their divisions — small appliances and sound products.

Reproduced at left is an ad for their coffee grinder/maker. It is typical of the other ads in the series and has high visibility among the myriad of locally sponsored advertising.

Sandy Goebel, account supervisor at Calet, Hirsch, Kurnit & Spector, explains their use of the city books this way: "The products had high distribution in these markets. We were using spot radio and national food magazines but wanted to supplement these efforts in these high profit markets. Surpris-

Cointreau, one of many advertisers who place regular copy in city magazines, finds it can do the job in a half page horizontal in four color. Copy theme is hard to miss.

COINTREAU LIQUEUR 80 PROOF RENFIELD IMPORTERS, LTD. NY © COINTREAU CORP. 1981


Nobody sits in a place like this and sips scotch.
COINTREAU
ONLY COINTREAU IS COINTREAU

ingly, we got a good playback in these markets — so much so, that we are recommending continuing the program."

All of this in national, factory ad dollars.

Cointreau, a product of Renfield Importers, Ltd., is a new but highly visible advertiser on the city/regional scene and will be more so in the future.

The current campaign broke in December and January issues in at least ten markets — mostly city books but a few state magazines were bought also.

Lincoln/Mercury. Ad manager John Vanderzee is using city magazines in the top ten "luxury" markets to reach upscale demographics. Other automotive advertisers in Detroit seek broader coverage via network and spot tv. But they supplement that to some extent with magazines in "pockets of affluence" (i.e. regional and local media, including the magazines).

One Detroit source says that city magazines are the hottest, best ad medium for the auto companies. But he can't persuade his bosses to use local magazines to the extent he would like. "We are putting some factory dollars into them," he says, "but we could get much greater mileage from our dollars if we added co-op — as many national advertisers do in the city books."

As the automotives tend to bring out specialized lines — like the recreational vehicles — they take a closer look at city and state magazines. The best example happens to be in a regional book, *Rocky Mountain Magazine*. In one issue it carried ads for the Dodge Ram, the Ford Bronco and the Datsun Pickup.

Jack Daniels sour mash whiskey. The key words in the use of city/ regional magazines by Jack Daniels Distillery is "additional support." If a market warrants additional support, the local books are looked upon as the heavy-up vehicles. Since broadcast is out and some control states prohibit outdoor, why not newspapers? "They just don't match up with demographics set for the brand," says Ray Ruzicks, project manager of Advancers, agency for the Brown-Forman subsidiary. "They can be compared to special interest magazines; the reader is more involved with them."

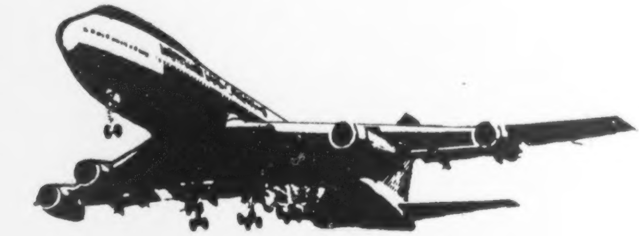
Most of the heavy-up for Jack Daniels is in southern markets. Most of the advertising carried by these books is black and white. The national advertisers, however, tend to use color. But not Jack Daniels — it would not be in keeping with the 25-year image they have created for the brand.

Yuban coffee. General Foods is currently using two metropolitan magazines, *D* (for Dallas) and *Denver*. In keeping with the practice of many advertisers, both national and local, this is their top-of-line caffeinated brand.

The local effort offers high impact, visibility and good positioning.

This effort supplements the use of the service books and the "seven sisters." The out-of-pocket cost is, of course, small. Yuban can add at least four metro books for the cost of one national magazine.

Some national advertisers believe that the relatively high cpm in metro/



REACH THE MEMPHIS MARKET

More than $4.4 million was spent on air transportation in Memphis and Shelby County during 1981, as reported by the Tennessee Department of Revenue. Take advantage of our daily combination rate to reach 84% of adults in professional and managerial positions*—those most likely to travel on business and/or make decisions about product distribution.

Memphis is a Newspaper Market.

The Commercial Appeal / Memphis Press-Scimitar

National Advertising 901-529-2239

MEMPHIS PUBLISHING COMPANY
495 Union, Memphis, Tn. 38101

SCRIPPS-HOWARD NEWSPAPERS Represented Nationally by Story & Kelly-Smith Inc.
Mid-South Magazine Represented Nationally by Metropolitan Sunday Newspapers
*Urban & Associates, 1981

Median Income: $85,000 Per Year.

No Kidding.

We don't have to. All you have to do is drive around and see for yourself. This is indeed a sunkissed mecca of exclusive country clubs, split-level tennis villas and sprawling estates. And these are *second* homes, mind you. Looking to start a trend? The *Palm Springs Life* reader *is* at the top of your demographic pyramid. He and she *know* how to live the good life . . . and Palm Springs Life is their shopping guide.
Call your Palm Springs Life advertising rep and tell him to send you a kit right away.

Advertising Representatives: Boston: Joseph J. [illegible], 442 Statler Building, Boston, MA 02116. (617) 426-7382. **Chicago:** Wendy Reynes, Reynes & Associates, Two North Riverside Plaza, Chicago, IL 60606-2685. (312) 930-9496. **Dallas:** Richard Griffith, The Griffith Group, 16-990 Dallas Pkwy., Suite 201, Dallas, TX 75248. (214) 931-9001. **Detroit:** Kathleen G. Charla, 21000 W. Fourteen Mile Road, Birmingham, MI 48010. (313) 642-3482. **Hawaii:** James W. Wilson, 1550 Rycroft Street, Suite 115, Honolulu, Hawaii 96814. (808) 941-7796. **Los Angeles:** Hutch Looney, The Pattis Group, 1800 N. Highland Ave., Suite 717, Hollywood, CA 90028. (213) 462-2700. **Miami:** Robert T. Coughlin, Coughlin/Adler Associates, Inc., 9212 S.W. 73rd Road, Miami, FL 33256. (305) 665-1770. **New York:** Catalyst Communications, 260 Madison Avenue, New York, NY 10016. (212) 578-4830. **Orange County:** Joleen Parham, Joleen Parham & Associates, 3810 East Coast Highway, Suite 2, Corona del Mar, CA 92625. (714) 675-9770. **San Diego:** Dolly Maw, 1235 Parker Place, Penthouse A, San Diego, CA 92109. (714) 270-5536. **San Francisco:** Patricia Preble, The Advertising Department, Inc., 311 California Street, Suite 410, San Francisco, CA 94104. (415) 981-7775.

city publications is offset by the low out-of-pocket cost, especially when they can present their case in a book that goes to upscale readers. The use of city books may be especially important in problem markets, where the merchandising value of a long list of quality magazines can have impact.

Taster's Choice. While it is not usual to see supermarket products advertised in the city and state magazines, we can add another case to the Yuban coffee segment — Nestle's Taster's Choice. The company wanted to make inroads into Sanka's franchise in the decaffeinated coffee market in restaurants.

The effort took place in Philadelphia, New York and Chicago. The plan was to reach eating-out prospects (a lot of city magazine readers) with testimonial copy from famous restauranteurs. So they went into city books in each locality with local testimonials.

Corporate advertiser viewpoints

Cigarettes, liquors, automobiles and, more lately cosmetics — these are the front runners of national advertisers in city/state magazines. A new source of national dollars is popping up, however, but only in special situations. The new category is corporate advertising — mostly in books that circulate in areas that are home to corporate headquarters.

One good example is *Connecticut* magazine, which in a recent issue carried advertising for a number of companies somewhat foreign to the genre of city/state publication advertisers.

American Can Co., headquartered in Greenwich, Conn., is one of this group of advertisers. Their effort is "ad hoc" — running several insertions a year.

It might appear that this is only a plant-city effort, a good neighbor promotional approach. But this is not the case for American Can; it is just a home state effort.

Here are comments of people close to the American Can situation about the reasons for putting corporate (not product) ad money into books of this nature:

"Affect the political process."

"Recognition as a citizen of the state."

"Reach the legislature."

"Sense of contributing something to the state."

"Make life better for people where they live."

> **"The use of city books may be especially important in problem markets . . . "**

And again, as has been mentioned before — "upscale readership." When talking to both publishers and advertisers in this context, this term is seemingly always in the forefront of their minds.

Combustion Engineering of Stamford, Conn., handles its activity in *Connecticut* magazine as a function of the corporate advertising effort. Frequency is about six out of 12 issues.

Purpose is varied: While it bespeaks of community relations, a lot of "city" people (with influence) live in Connecticut, so there is product sale potential. A current ad is headlined "C-E technology is coaxing new bounty from old oil fields." But there are undertones of overtures to finance and government.

Chesebrough-Pond's talks about "leadership brands" and "names Americans trust," and it closes with an invitation, "call your stockbrocker."

While the Chesebrough-Pond's ad we speak of was seen in a state book, Don Heyman, manager of public relations says that it is used primarily in national media and not specifically in localized plant/community media.

This type of advertising does not pop up universally in city/state magazines but another popular vehicle is *Cleveland* magazine. Publisher Lute Harmon hangs this tag on it: "Cleveland is a corporate town. Companies are paying attention to cleaning up. They want to build a reservoir of good will."

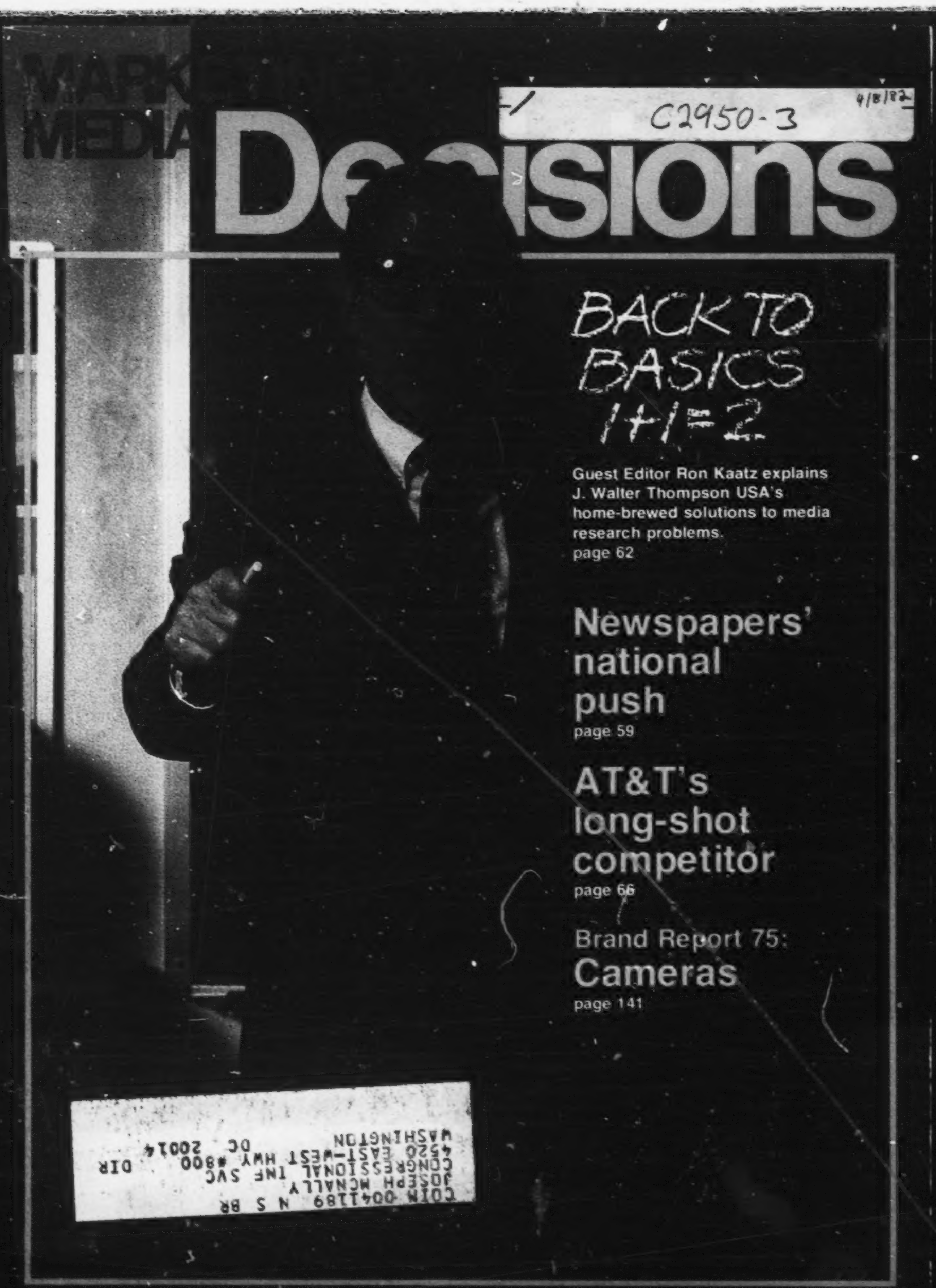
While not attempting to mention all, he did cite the activity of Republic Steel, which is in his publication on a nine-time basis (all four-color) plus additional use of local radio and tv. The theme: "Clean up the air."

Other exponents of this type of community advertising cited were: Alcan Aluminum, TRW and Eaton Corp.

Pat Kelly

-/ C2950-3 4/18/82

MARK MEDIA Decisions



BACK TO BASICS 1+1=2

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COIN 0041189 N S BR
JOSEPH MCNALLY
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
WASHINGTON DC 20014

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of media resources and research at J. Walter Thompson USA.

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READY TO DRINK
Ocean Spray
Cranberry Juice Cocktail
A JUICE DRINK
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8.5 fl oz

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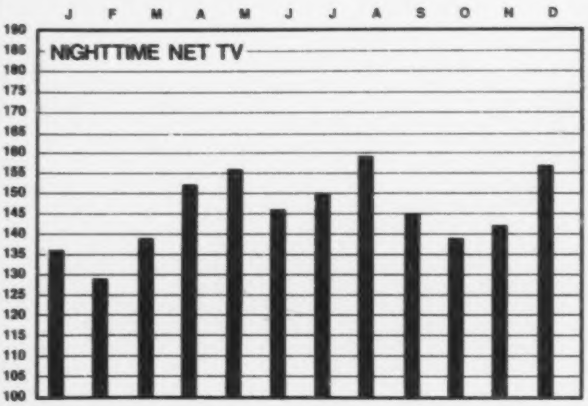
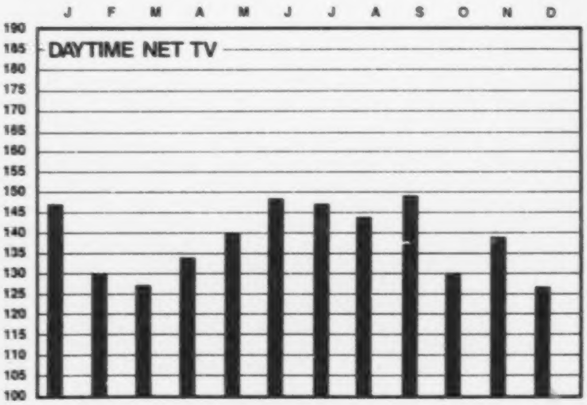
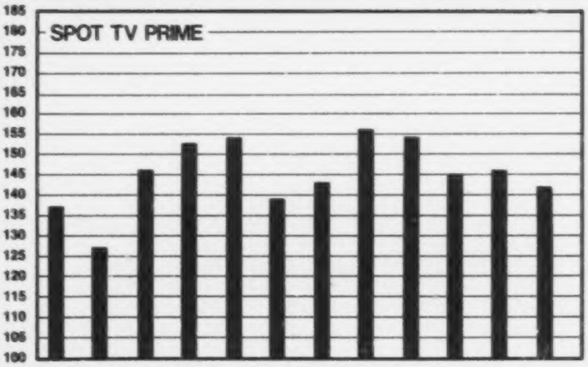
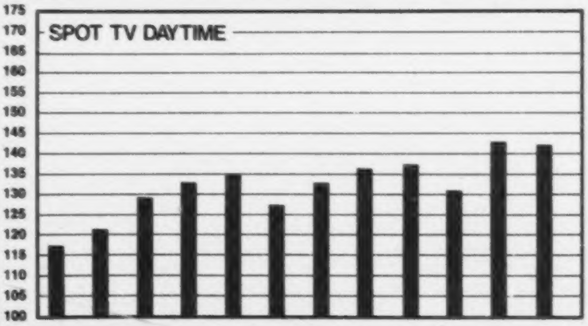
MEDIA COST INDEX

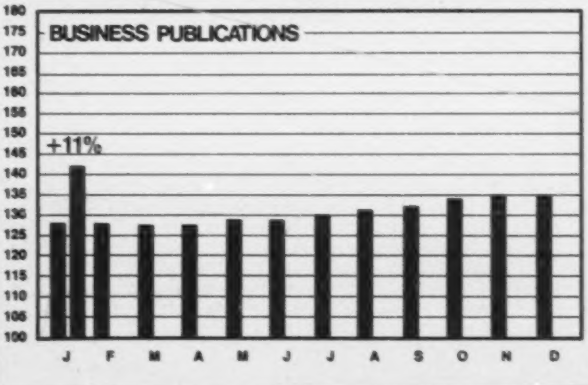
Black bars index for 1981; red bars 1982; base year 1977











Cost trends for 11 major media for 1981 are shown in the black bars on this and the page that follows. They're complete for that year. Height of the black bars shows increase in unit costs in each month over the base year 1977. Red bars show increases by the month over the same month in the previous year in 1982 for those media for which data is now available.

Charts have been revised to start at Index 100 in each case. You can read percentage changes since 1977 by simply subtacting 100 from any black bar. For example, Index 142 in black bar for Spot TV Daytime in December indicates that unit prices for December 1981 were 42% higher than in 1977.

Red bars are based on same index. For example, Business Press Index 141 for January 1982 (red bar), indicates unit costs are plus 41% over 1977 — Red bar for January 1982 compared to Index 137 for January 1981 (black bar) indicates an increase of 11% over same month one year previous.

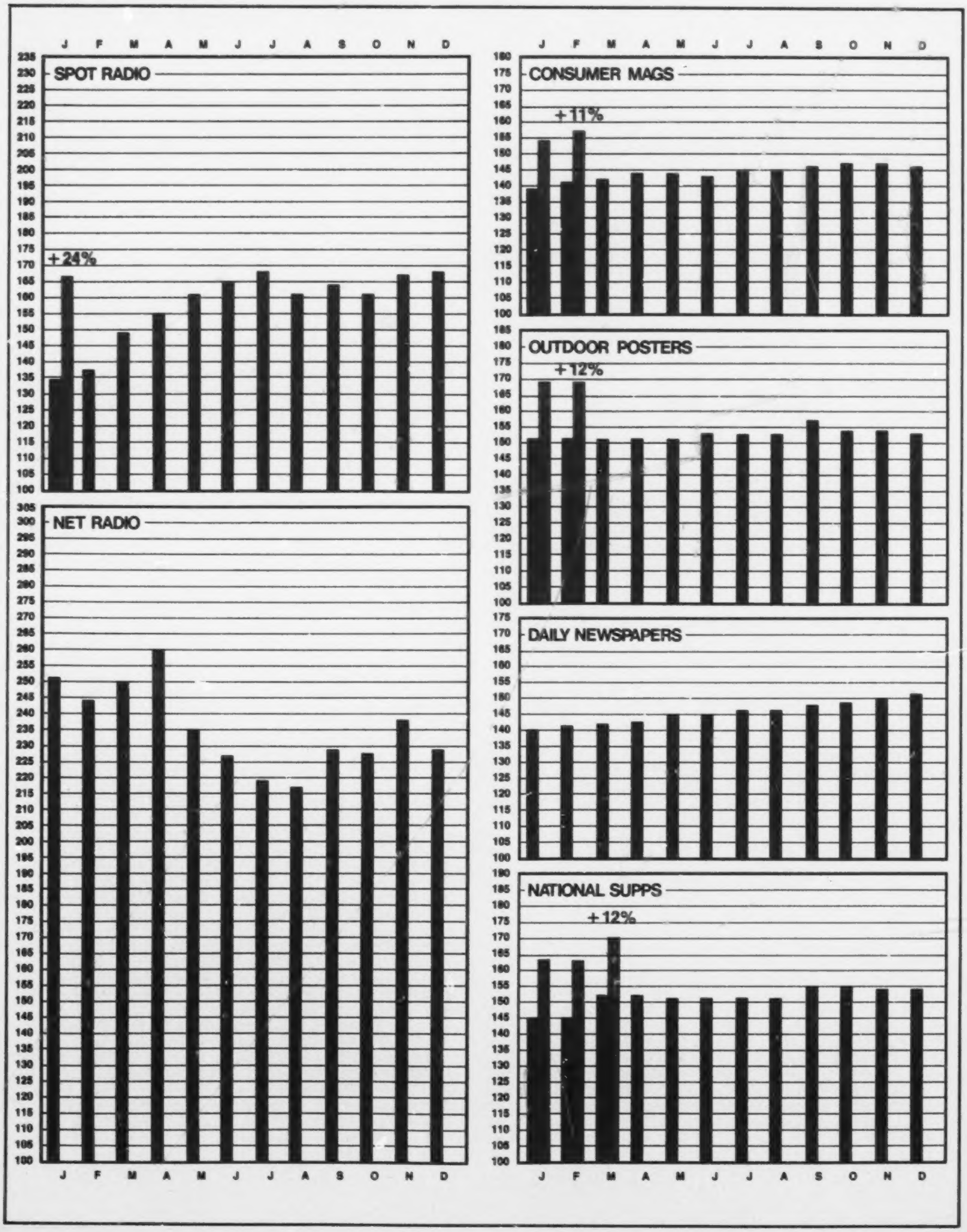
Recession talk appears to have had no effect on media prices. Those media for which 1982 data is available (red bars) show big jumps in pricing.

Continued on page 12

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m.
Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.
Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



technological advances may have more in store for the big game hunters.

Andrew Pollack wrote in the New York *Times:* "Some experts think that future video games will use video discs to give them realistic scenery. . . . Rather than showing block or stick figures, a computer game with a videodisc might show actual film footage of tanks rolling across a field. If the player hits a tank with his electronic weapon, the computer switches to footage of a tank being destroyed." Two way cable, he suggests, will also allow competition between players in different locations.

Apparently, the future for video games, despite its present high state of development, is just beginning.

Produce new products or risk dismissal

What is the chief demand on the chief marketing officer in the 1980's? A study from the national executive search firm of Fleming Associates says it is new product introduction.

Chief marketing executives in 117 companies report that new product introduction is the most critical pressure point they face in 1982.

"This means that companies have detected a bottoming out and need new products to push their business," president Richard Fleming asserts. By contrast, "in mid-recession we see an emphasis on cost controls and executives who can tightly manage operations."

After new product introduction, the next three pressure points were, in order: selling costs, pricing, and internal staffing and training.

The survey also showed these concerns were facing marketing executives in 1982:

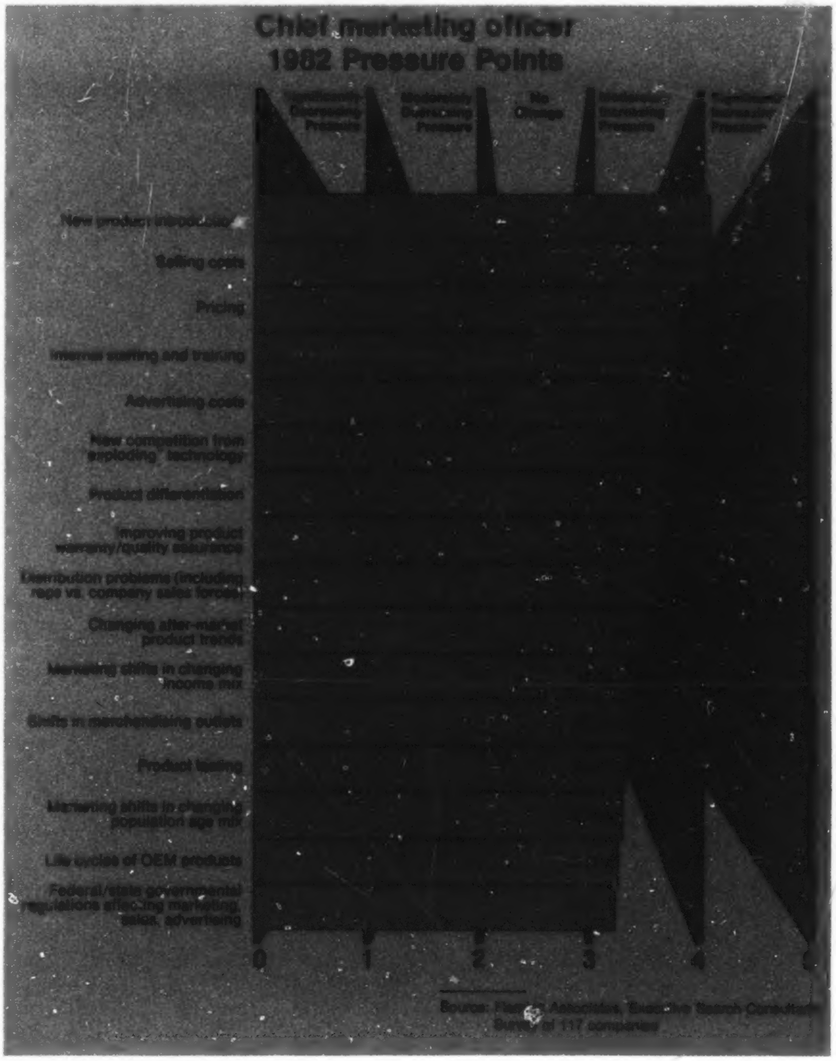
"Staffing continues to be the biggest problem in the industry. Growth stretches the available talent pool — sometimes quite thin.

"There is increasing pressure to predict the future and provide alternative courses of action to insure meeting corporate sales goals.

"There is a very real problem in maintaining focus on the long term objectives and strategies while short term 'fires' are being extinguished due to the down-turned economy.

"There is a great need for quality, trained marketing personnel who exhibit honesty, integrity and good work habits.

"We need to improve the overall efficiency and effectiveness of the marketing mix, i.e., advertising, personal selling, product mix."



Source: Fleming Associates, Executive Search Consultants
Survey of 117 companies

How much hotter will radio be in 2001?

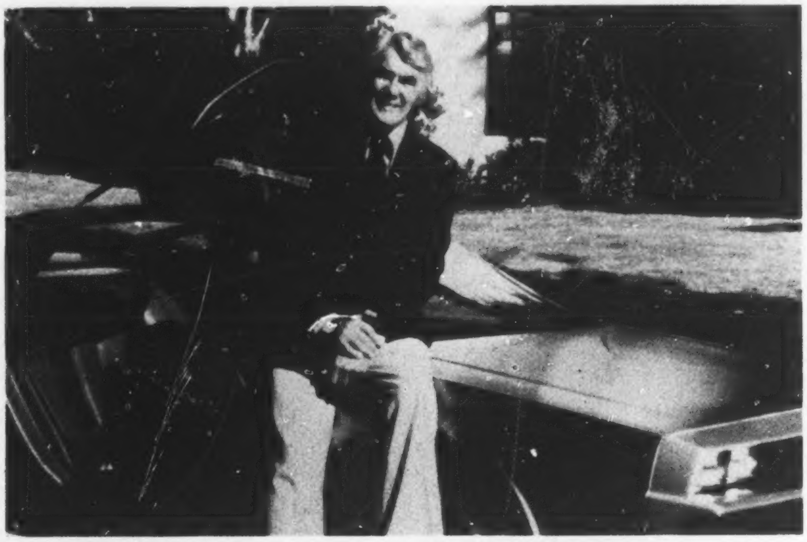
The expansion of radio to a $40 billion ad medium in 20 years was forecast by Miles David, Radio Advertising Bureau president, at the January RAB conference on sales management.

But on the other hand, he warned, "The realism is that new competition is everywhere. We are in the mist of media revolution. There will be information retrieval media such as yellow pages for tv screens. There will be more competition than we've ever known."

UPDATE

No more rollouts for DeLorean

Due to immense initial interest and an unprecedented amount of free publicity, the future looked good a year ago for DeLorean Motors. But unforeseen economic conditions pushed the company into insolvency in February, and the stainless steel, gull winged car, like its unfortunate predecessor, the Bricklin, is threatened with extinction (See: *"DeLorean rolls out his hot new car," September 1981, pg. 72)*.



John Z. DeLorean still hopes to rescue his troubled car company.

Unable to float a stock issue, John Z. DeLorean surrendered his manufacturing plant in Belfast, Ireland to receivership, and relinquished any hand in how it will be managed. He does, however, retain the U.S. operation which markets the $25,000 sports car. DeLorean is hopeful that he may yet raise the $70 million needed to lease back the production facilities.

The financial problems developed when many dealers who had made firm orders for cars weren't able to fulfill their commitments.

That situation crimped the cash flow of the company, which, DeLorean said, had never built up any working capital and had been operating hand-to-mouth since spring 1981.

Advertising for the car had begun in late fall, mostly in magazines.

National green light for Taylor light wines

After a successful market test for its light Chablis, Rhine and Rose wines, Taylor California Cellars has decided on a national roll-out for the new product (See: *"Brand report 67, Wine," August 1981, pg. 151)*.

The national campaign premiered in February with spot television, radio, magazines and newspapers. Copy for the campaign states: "Perfect when you want something light tasting. What a perfect time for my other wine." Agency for the brand is Kenyon & Eckhardt.

Pierre Ferrari, Taylor Group brand manager for Coca Cola's Wine Spectrum, commented, "Our intention is to create a new wine category with broad appeal; we are positioning our light wines as the ideal lower calorie high quality wine alternative for occasions that call for a lighter beverage.

"The public's demand for lighter beverages is growing. Since 1975, light beer consumption has increased 800% versus a 19% increase in the total beer category. Low calorie soft drinks are also growing rapidly. All the indicators show the same kind of growth possibilities for the wine industry. Today's active lifestyle emphasizes the extraordinary potential for our light wines."

Field testing by Qualitative Communications Testing and Gallup & Robinson, Taylor's executives say, show the campaign theme is best suited for the national roll-out.

You can say that again, again and again

Advertisements in magazines don't show a rapid wear-out factor, according to a recent analysis from Starch INRA Hooper (See: *"No easy tests for commercial wearout," December 1981, pg. 64.)*

The Starch study was limited to ads at least of half page size, and found that noted scores generally increased with repeat exposure. The findings show that "those ads that initially score at the low end of scale tend to do somewhat better the second time around, and those at the high end of the scale tend to score somewhat lower, but the differences are marginal. The general observation can still be made that ads that rate low on their first appearance will be quite likely to do the same thing when repeated, and that high rating ads will still be high scorers on their second appearance."

In summary, the study concludes: "Consumer advertisements are currently being repeated by many adver-

Continued on page 44

UPDATE

(from 40)

tisers. The majority of these are rerun within a period of one month. Advertisements repeated in different issues of the same publication continue to hold, on the average, the same level of readership attained at the first insertion. Readership remains at substantially the same level throughout at least four insertions in the same publication.

"When an advertiser is faced with the change-or-not-to-change question, there is strong evidence that repetition of identical advertisements may be a much better solution than a mere change for the sake of change."

All dressed up and no place to go

The best selling distilled spirits are wondering where their favorite companion — sales momentum — has gone.

According to *Impact*, the newsletter of the distilled spirits industry, the top 20 brands in the U.S. showed no sales growth for the second year in a row (See: "*Brand report 65: Liquor*," *May 1981, pg. 177*). The *Impact* report asserts that a recessionary economy, the rising price of popular brands and the increasing American preference for wine have all contributed to the erosion of distilled spirits sales.

In light of the current no-growth situation for distilled spirits, *Impact* predicts a bleak next few years for the industry. Citing limited growth prospects for some of America's top selling brands, the journal cautions that it may be time for re-evaluation of industry strategies and financial commitment to brand building on the part of the industry.

Case sales leader Bacardi showed a 1% sales gain for 1981, but *Impact* considers that performance disappointing compared with increases posted in the previous three years. Smirnoff, in the number two spot, had its second successive year of decline, down two percent as compared with a one percent drop the previous year.

Best performers in the industry's top 20 brands were Brown-Forman labels, Jack Daniel's and Canadian Mist. *Impact* publisher and editor Marvin Shanken commented: "In fact, B-F was the only distiller to measurably outperform the industry as a whole in 1981, with its two entries, Jack Daniel's and Canadian Mist ahead by 13% collectively."

Restaurant chain voted best: McDonald's

U.S. preferences in fast food chains vary geographically, according to a survey conducted by *Restaurants & Institutions*, but the winner overall should be no surprise: McDonald's (See: "*Brand report 59: Fast Foods*," *November 1980, pg. 157*).

Regionally, McDonald's is the most popular in the North Central area, but drops to fourth place in the South and West. Wendy's rates first in the South, but doesn't make the top 10 in the Northeast, where Friendly's holds the top spot. Baskin-Robbins ranks first in the West.

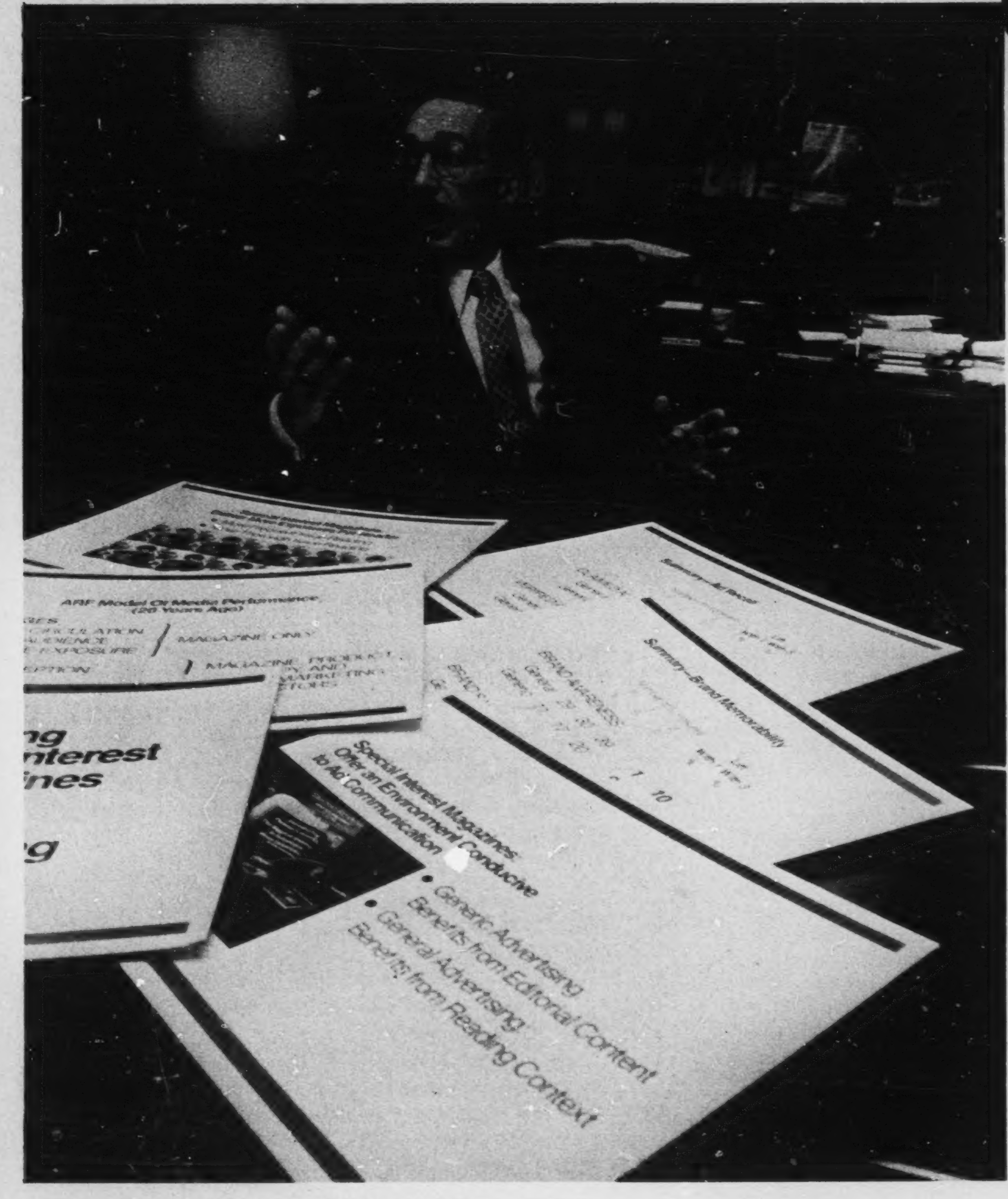
Jane Wallace, editor of *Restaurants & Institutions*, notes that while McDonald's popularity comes as no surprise, "It is surprising that our national sweet tooth has propelled one ice cream chain — Baskin-Robbins — into a position where it has a chance of wresting the crown from McDonald's in the consumer popularity sweepstakes."

Kentucky Fried Chicken also made a good showing with a high general appeal to families who enjoy take-out meals.

Average readership (noted) scores of three or more successive insertions of the same advertisement in the same publication, expressed in relative numbers

Number of Insertions	Number of advertisements	Successive insertions						
		1st	2nd	3rd	4th	5th	6th	7th
3	91	100	103	103				
4	28	100	101	101	109			
5	11	100	112	103	112	102		
6	6	100	102	89	115	107	98	
7	4	100	97	104	99	101	100	101

Source: Starch INRA Hooper


ARF Model Of Media Performance (20 Years Ago)
MAGAZINE ONLY
Summary—Brand Memorability
Special Interest Magazines Offer an Environment Conducive to Ad Communication
• Generic Advertising Benefits from Editorial Content
• General Advertising Benefits from Reading Context

NEXT STEP IN AUDIENCE RESEARCH:

Paul Chook's tip-on technique

Ziff Corporation's research chief is applying tricks he learned years ago to the current problems of special audience advertisers. And his results indicate he may have some answers to their unique needs.

Paul Chook, vp-research, Ziff Corp., is off on a new crusade.

He wants to measure the unique values of special interest media — in particular such Ziff-Davis publications as *Stereo Review, Flying, Cycle, Car Driver, Skiing, Boating* and *Popular Photography*.

Chook bewails the current emphasis on total audience counts, the quantitative media research that has become the standard for substantiating media recommendations.

He says there have been virtually no qualitative studies since the 1960's — the kind that were an Alfred Politz specialty. This has hurt the special interest books, he says, — motivating camera, motorcycle and other advertisers to move into the mass books. The advertiser has no way to measure the tremendous effect of editorial environment.

When Chook came to work for corporate chairman Bill Ziff, his new boss gave him the green light to develop probes that would snap special interest audience research out of this bind.

Paul is one of the senior statesmen in the media research business, having worked with Politz, Y&R and Simmons. He believes he has at least partially uncovered a way to get at the truth about special values in special interest. His method:

(1) Isolate a sample of subscribers. He did this with *Stereo Review* for April 1981 by pulling 905 regular copies out of normal distribution channels. Then he doctored those issues as described below and had them mailed to the sample first class to reach his sample at about the same time as normally-mailed second class copies.

Continued on page 80

Claimed ad recall

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	2	26	40	24	38
Pro Keds	5	19	54	14	48
Saab	6	25	41	18	25
Generic					
Sony	17	31	53	14	36
Denon	9	34	57	26	46
Heath	16	38	47	22	31

Verified ad recall

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	—	19	34	18	34
Pro Keds	—	16	45	16	45
Saab	1	20	35	19	34
Generic					
Sony	4	18	44	14	40
Denon	2	26	47	24	45
Heath	7	24	36	23	36

Brand awareness
(Top three brands)

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	64	64	64	—	—
Pro Keds	18	20	39	2	21
Saab	4	5	15	1	11
Generic					
Sony	28	42	48	14	20
Denon	2	4	6	2	4
Heath	2	5	5	3	3

Brand salience
("Comes to mind first")

	Number of exposures			Lift	
	0	1	3	With 1	With 3
	%	%	%	%	%
General					
Arrow	44	44	46	—	2
Pro Keds	5	6	18	1	13
Saab	2	5	7	3	6
Generic					
Sony	8	13	17	5	9
Denon	1	1	3	—	2
Heath	1	2	2	1	1

(2) Tip-in additional test ads in copies going to the pre-selected sample. In the *Stereo Review* test, Chook added preprinted page ads for an Arrow shirt, ProKeds sneakers, Saab Turbo automobile (three general market products) and for a Sony Superscope tape recorder, a Heathkit "Super-Amp" stereo amplifier, and a Denon stereo turntable (three products generic to the readers of *Stereo Review*).

(3) Break the sample into three parts to measure effect on readers of exposures to the ads and of the frequency of exposure.

Sample segment A in the *Stereo Review* test got copies that carried one ProKed ad, one Denon ad, three preprints of the Saab ad scattered through the issue, three of the Heath ad and no Arrow or Sony ad. Sample segment B got one Arrow, one Sony, three ProKed, three Denon, no Saab, no Heath. Sample segment C got one Saab, one Heath, three Arrow, three Sony, no ProKed and no Denon.

(4) Keep track of who gets which doctored issue and, then interview readers on pretext of surveying opinions on editorial 24 hours after receipt and exposure to issue. This was set up in the *Stereo Review* test by two phone calls: one a week in advance to solicit cooperation on opening every spread day after arrival; the second to measure effect on respondents of exposure to the ads once, three times, or not at all.

(5) Measure claimed recall of each test ad, verified recall of reach test ad, brand awareness for products in each test ad and the brand that comes to mind first in advertised product categories ("salience").

This represents a lot of careful work. But the results (see tables on page 79) vary sufficiently to make it clear that Chook is on to something.

He's going to make a similar test of readers of another special interest book in the Ziff-Davis stable this spring. And he hopes to drum up enough advertiser and agency interest to expand this kind of probe to competitive comparisons of special interest books and mass audience books.

His system is designed to wash out the negatives that show up (very unfairly, the special interest publishers claim) in the sweeps of such syndicated audience researchers as SMRB and MRI.

Special interest magazines have fewer copies out in such public places as doctors' offices. The books go to people with special interests only — relatively small total audiences. Because they offer more durable editorial to persons who are at least semi-pros in the subjects covered, they have less pass-along, and more saving of copies. They inspire more frequent and more thorough issue reading. The hypothesis is that they offer an environment more conducive to ad communication.

> **"Most audience measures are concerned with amassing data on how many and what kinds of people read magazines. This doesn't indicate who reads an ad, or who gets anything out of it that is memorable. Ad dollars for a product could be a complete waste even though several million people can be shown to have looked at the book the ad appears in."**

How can such things be measured? Chook believes he has a way to dig out the answers.

One of the most significant factors in Chook's research: it is based on ad page exposure — not just issue exposure. Most audience measures are concerned with amassing data on how many and what kinds of people read magazines. This doesn't indicate who reads an ad, or who gets anything out of it that is memorable. Ad dollars for a product could be a complete waste even though several million people can be shown to have looked at the book the ad appears in. Chook's system jumps that hurdle.

Another important matter that Politz-trained Paul Chook takes into account: the degree to which the readers in his sample don't tell the truth. They don't mean to lie, but some people are honestly incapable of recalling what they have and have not read. Chook measures them.

In the table on page 79, you will notice that in the first column at the left of each table the percents of exposures reported by respondents to whom the ads were not exposed is reported. That's the measure of lying.

These figures are highest for generic products — the ads that the semi-pro readers of specialized magazines *think they must have seen*.

Some of this also results from seeing the same ads elsewhere — an honest error in recall by the respondents. Most of this is avoided in Chook's test by using only new ads.

This problem reminded Chook, when we chatted with him over coffee in his office at Ziff Corporation about a heart-breaking research effort he once was involved in — we won't say when. He was doing a test of the kind reported here and went through all the steps with great care: tipped-in ads, proper sample and good phone interviews.

But somebody forgot to eliminate the sample readers from the regular mailing list for the issue being tested. The sample readers all got two copies — one the test copy, one the regular copy. The whole test had to be dumped.

No wonder most media researchers are grey haired — or devotees of Grecian Formula! Surprisingly, Paul has survived the years since his Politz days without much change.

Also note in the tables (page 79) the two columns labeled *lift* at the right of each chart. These are the percentages minus lying — the *true lift* of a single ad exposure and the greater *lift* produced by three exposures.

The *Stereo Review* study was made among 905 subscriber/readers of the April 1981 issues in three equivalent matched samples in three geographically dispersed markets: Baltimore, Cleveland, San Francisco. Test ads were secured from advertisers and agencies that showed interest in the idea and who had appropriate pages available. Admar Research, Inc., conducted the test and completed interviews with 480 subscriber/readers.

Carroll J. Swan

Brand Report 75:

Cameras

Eastman Kodak's new disc camera will be launched with a $40 million campaign.

After several years of steadily increasing ad budgets, camera industry media expenditures were flat during the first nine months of 1981, compared to the same period for 1980. Heavy Christmas season advertising brought some of those shrinking budgets back up to par, but is the advertising growth cycle over? Not according to camera marketers. This year, Eastman Kodak launches a $40 million ad campaign to introduce its new disc camera, Polaroid brings out two new camera models, and the Japanese camera manufacturers are gearing up for heightened competition on all fronts.

Media spending by the camera industry in 1981 was like a photographic impression of advertising commitments from the year before.

What had been a steadily growing advertising category seemed to peak in 1980 at about $170 million. Through the first nine months of 1981, spending for the industry as a whole was 2.7% behind the same period for 1980 going into the heavy-up Christmas season, according to Leading National Advertisers and Broadcast Advertising Reports.

Indications from photography marketing specialists, however, suggest that 1981 advertising activity was really the lull before the storm. Already this year, Eastman Kodak has announced plans for its biggest single ad budget in the company's 101-year history to launch its revolutionary new disc viewfinder camera.

Polaroid, the principal competitor to Eastman Kodak, began a pre-Easter television advertising blitz with the Academy Awards telecast on ABC to introduce its new Amigo 620 and the Sun 650.

Canon continues to increase its ad budget, primarily supporting the new and improved AE Program line of cameras and accessories.

Each of the new campaigns is the result of technological breakthroughs. The industry's reliance on technology has split the camera market in two, divided between the rank amateur looking for the easiest, most foolproof means to a snapshot, and the hardboiled professional who wants the benefits of advanced electronics, computerized miniaturization — and point-and-push automation when he wants it and full manual override when he doesn't.

The marketing problem for the manufacturers of single lens reflex cameras (SLR's), which tend to be the more sophisticated and versatile types of cameras, is how not to offend the professional photographer while trying to open the product's accessibility to a mass consumer audience. Stated another way, how do the SLR cameras attract the mass consumers to a high precision, high technology tool without intimidating them?

Walking into a camera specialty store to buy even the most automated SLR camera requires the consumer to make some heady choices between technologically advanced features.

Does the buyer want an aperture or shutter priority metering system? Should the metering system be the match-needle variety or an LED indicator-guide? Should he add a motor drive or power winder option? How important is shutter speed capacity? Does the camera have a wireless remote control feature and an interval timer? Is there a synchronized and meterized integrated flash system? Does he really need a quartz-driven module on the back of the camera that imprints the number, day and date of the photograph on the negative? Is the camera self-winding? Is the winder built in? Does it load itself?

The SLR camera companies have tackled the marketing problem through a two-prong media strategy.

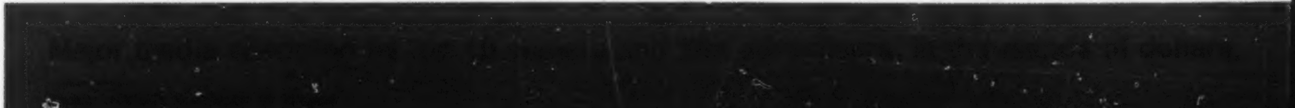
As a rule, camera companies use network and spot television to convey the image of the product and to demonstrate the ease and automation of the camera. The tv campaign is backed with strong print campaigns divided between consumer magazines and photographic fan and trade books.

While several of the television commercials show sports figures and actors and actresses mastering the high technology SLR, the corresponding print campaigns are more of the "Let us explain" variety, chocked with detailed copy delving into the finer features of the camera model or camera line.

For the manufacturers of instant cameras, viewfinders (where the photographer does not see the image through the lens and must adjust for the actual position of the subject), and cartridge film cameras, the marketing problems are less exacting. Their products are strictly for the mass market consumer interested in taking snapshots rather than the more vaunted photograph.

The problem develops, however, over whether these cameras, made primarily by Eastman Kodak and Polaroid, can produce a satisfactory photographic image in the face of the SLR competition. It is this concern which led Polaroid to run a print campaign of unretouched instant photographs demonstrating the Polaroid Sun camera's ability to capture detailed clarity and realistic color reproduction.

With their campaigns aimed at the most general consumer market, Kodak and Polaroid maintained massive ad budgets. In 1980, according to LNA, BAR and Media Records, Eastman Kodak and Polaroid accounted for about $90 million of the $170 million in ad dollars for the entire industry.



During the first nine months of 1981, Eastman Kodak was 13.5% ahead of the same period for 1980, while Polaroid was up 6.3% with a dramatic 58% increase in magazine expenditures.

The camera industry as a whole reported declines in each major medium during the first nine months of 1981 except for newspaper supplements and outdoor advertising. Together the supps and outdoor accounted for about 1% of total camera ad dollars.

Network television continued to dominate the ad budgets, accounting for slightly more than 50% of all camera ad dollars. Spot television, which is the mainstay for several of the camera manufacturers with smaller ad budgets, was running 10.5% behind the first three quarters of 1981. Spot tv accounted for about 14% of total camera ad dollars — losing 1% of the total share to supplements and outdoor.

Magazines, which make up 29% of the camera media mix, were running almost even with the year before during the first nine months of 1981. Network and spot radio attracted fewer camera ad dollars than outdoor and newspaper supplements.

As several camera marketing executives told *Decisions*, they are in the business of the photographic image, and the lack of visuals in radio has rendered that medium generally ineffective for camera marketing.

There are certain marketing realities that all camera manufacturers share. First, there is a tendency to heavy-up on advertising during the second and fourth quarters of the calendar year. The fourth quarter, obviously, is the Christmas sales season.

The second quarter contains several key holidays, such as Mother's and Father's Day and Easter, all of which are both gift-giving occasions and picture-taking events. Further, all of the camera companies look to the 18-45 year old male as its primary target audience, with women and families as secondary markets.

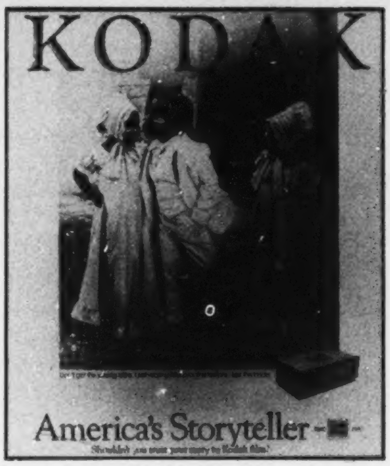
Finally, each camera model is subject to the fate of technological advancements. The 110 cartridge cameras gave way in the late 1970's to the SLR. As the SLR grew in popularity, it became smaller and more automated while dealing a severe blow to 110 sales.

As the 110 camera became moribund, Eastman Kodak stepped in to fill the void with its disc camera, which industry experts are predicting will lay to rest the 110 camera forever, and could seriously cut into the low end SLR market — although most photography industry executives still believe that the disc viewfinder is in a different market than the SLR.

Despite these similarities, there remain distinct differences in the marketing and advertising approaches among competing camera concerns. Many of these differences, however, are the function of budgets rather than differences in business philosophy.

There is a controversy within the camera industry over the preponderance of celebrity spokespeople in ads, especially in television commercials. The argument for using celebrities: well-known faces help get across the camera's name while also demonstrating that an amateur can use the product.

The counter viewpoint stresses that celebrities don't sell cameras — that


KODAK
America's Storyteller
Shouldn't you trust your story to Kodak film?

Promoting its place as "America's storytellers," this Eastman Kodak film ad won a Communications Excellence to Black Audiences award for best color ad for consumer publications. The ad appeared in *Newsweek, People, Essence, Ebony* and *Better Homes & Gardens.*

cameras sell themselves. Further, the critics argue, the sheer number of celebrities and sports figures representing camera lines creates confusion rather than product identity. Can you match the spokesperson to the camera: Michael Landon, Bruce Jenner, Nancy Lopez, James Garner, John Newcombe, Mariette Hartley, Tracy Austin, Peggy Fleming, Cheryl Tiegs, Sir Laurence Olivier and Candice Bergen.

There is a tendency among the SLR companies to use sports spokespersons. The exceptions are Olympus, which uses model Cheryl Tiegs, and Nikon, which uses no celebrities at all.

The general reliance on sports figures, however, matches the camera companies' major buys into sporting event sponsorships. Fuji films and cameras is an official sponsor of the 1983 U.S. Pan American Team and the 1984 U.S. Olympic Team. Fuji signed on former Olympic gold medalists Frank Shorter and Wilma Rudolph to head up a special sales promotion team.

It is Canon, though, which is most identified with sports sponsorships. Using its muscle as the most advertised SLR brand, Canon has become the "official" camera of the New York Yankees, Los Angeles Dodgers, Atlanta Braves and Chicago Cubs in baseball. Canon has also advertised on the Superbowl, the Olympics, basketball and track and field events, as well as sports events shown on each of the three cable superstations.

Not every camera company — even the big budget advertisers — agrees with Canon's sports affiliation approach.

James Andrews, advertising director at Polaroid, says: "We've never felt that being a billboard sponsor of a sports team or a particular sports event was as effective as just buying time on the same show. The signs at the stadium aren't as effective as they used to be. Cameras now avoid the advertising signs during the course of the game. They've caught on that they were just giving away free ad time.

"The other side of it is that through sports sponsorships, the camera advertiser can get tickets to major sports events and use them as giveaways to major retail outlets. But Polaroid distributes to chain stores and mass merchandise outlets. I doubt that Sears is going to buy Polaroid cameras just because we can get them into the stands for some tournament. The smaller photography specialty stores may be more influenced by that."

Says John Jacobs, associate media director at Grey Advertising, who handles media on the Canon account: "Sports are the biggest single component of the Canon media strategy. The reason for that is not so much to get tickets to give to dealers as it is a way to reach both the commercial and the professional camera market at the same time.

"Our first target is men, 18 to 34. Sports deliver that audience.

"With billboard exposure at the stadium or arena, we also reach the professionals. At any event at Madison Square Garden, there are 50 to 100 photographers on hand who are exposed to the Canon sign. At the Superbowl, there are 250 pro photographers along the sidelines. Furthermore, the state of the art of sports photography highlights the best uses of the 35 millimeter camera."

The marketing and media strategies of the camera companies divide in large part between the big budget "haves" and the smaller ad budget challengers. The following is an at-a-glance analysis of the leading millionaire camera brands media campaigns.

Eastman Kodak

The most talked about development in the photography industry for 1982 is the introduction of the new Kodak disc camera and Kodacolor HR disc film. Backed by a reported $40 million introductory ad campaign, J. Phillip Samper, general manager of the photographic marketing group at Eastman Kodak, says it will be the "largest advertising campaign in the 101-year history of Kodak."

The campaign for the disc camera will herald a "brand-new world of decision-free photography," highlighting the virtually mistake-proof disc film format and the electronic technology of the pocket-size camera. The ads, developed and placed by J. Walter Thompson, will promote the camera's electronic features and motorized film advance. The three-model disc camera line will carry a suggested retail price between $70 and $150.

"Advertising efforts will be directed primarily to amateur photographers, such as pocket-camera users," says Samper.

To reach that audience, Kodak will launch the disc camera with 90-60 and 30-second commercials on primetime network programs such as *60 Minutes, Lou Grant, Mork and Mindy, Father Murphy, Little House on the Prairie,* and *M*A*S*H,* among others.

The print campaign will include four-color two-page spreads in major consumer publications such as *TV Guide, Time, People* and *Sports Illustrated.* Four-color single page ads for Sunday supplements are also scheduled to run in major market newspapers across the country. The entire campaign is backed by extensive in-store promotional materials and a nationwide sales training effort.

John Robertson, vp-assistant general manager of Kodak's U.S. marketing division, told the Photographic Marketing Association last February that Kodak's research into marketing the disc camera revealed that the disc is more than a new photo system.

"It's an expanded base for photography," said Robertson. "Our analysis shows that the consumer who will be most interested in purchasing these products will be the satisfied users of easy load, or 110 and 126 format cameras who already enjoy taking pictures.

"Another group of likely users will be made up of those who are considering photography for the first time. And a third group is composed of 35 millimeter users who may wish a convenient second camera for themselves or their families.

"But the main characteristic of all three interested groups is this: each is made up of consumers who by and large probably would not otherwise purchase a new camera in the near future. That means a lot of potential new business that wouldn't be there without the disc camera."

The introduction of the disc camera ad campaign will bolster what had been a steadily increasing advertising budget. During the first nine months of 1981, Eastman Kodak advertising on its cameras, films and film processing lines was running 13.5% ahead of the same period for 1980.

Of the $31 million spent in major media, excluding newspapers, during the first three quarters of 1981, Kodak relied heavily on network television. More than two-thirds of Kodak's entire advertising budget went to network tv.

The Polaroid SunCamera. A Revolutionary New Camera and Film System.

Using magazine advertisements to explain in detail the features of the Polaroid Sun Camera, Polaroid runs a two-page spread to demonstrate the detail and clarity of its instant photographs.

Spot television, which had its budget tripled to $3.4 million in the first nine months, still accounted for only 10% of the total ad budget. Magazines, at $5.5 million, remained Kodak's second primary medium.

Eastman Kodak is also the only major photographic advertiser to use network radio. In 1980, Kodak spent $887,600 in network radio, according to LNA/BAR — plus $283,000 in spot radio, as measured by RER. In 1981, Kodak cut the network radio budget to $406,600 and switched the campaign from Kodak photographic paper to Kodak instamatic cameras.

Kodak is also the largest photographic advertiser using newspaper supplements and outdoor. In addition to a newspaper budget in excess of $3 million in each of the past two years, Kodak last year spent over $60,000 promoting Kodak Ektra cameras in newspaper supplements — a figure that should increase considerably with the new disc campaign. Outdoor advertising for films and cameras increased 66% in the first nine months of 1981 to $384,200, according to LNA.

Polaroid

Polaroid is the second biggest photographic advertiser, behind Kodak, and it too is prepared to launch a major new product campaign.

Beginning with the Academy Awards program, Polaroid will begin a major television and print campaign for its new Amigo 620 camera and the Sun 650 with close-up lens.

While James Garner and Mariette (I Am Not Mrs. James Garner) Hartley will continue to team up in ads for the Polaroid Sun 650 instant camera, Hartley will be paired with the Muppets to promote the Amigo camera.

Ted Voss, Polaroid's vp-marketing communications, says: "We put them together because we feel it's the strongest and most immediate way to catch the viewer's attention. People will make an instant connection that they're watching a Polaroid commercial and that the style of it, like Polaroid, is full of fun."

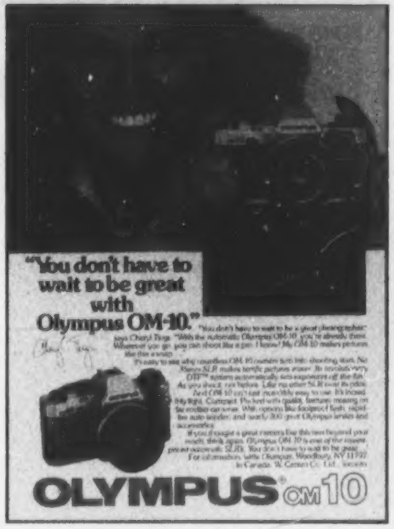
In the commercials, developed by Doyle Dane Bernbach, Hartley and Miss Piggy will vie for the attention of Kermit the frog. The Muppets as a whole will also appear in Polaroid's advertisements promoting instant photography in general, with a network television campaign aimed at the peak holidays of Easter, Mother's Day, Father's Day, the Fourth of July, and at graduations and weddings.

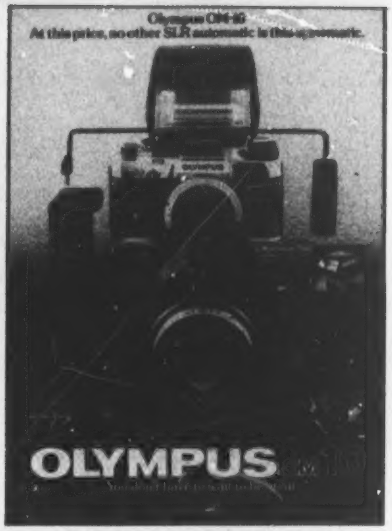
The Amigo 620 camera will debut through 30-second spots on network programs such as *Lou Grant*, *60 Minutes*, *M*A*S*H*, *Hill Street Blues*, and *Love Boat*, as well as specials such as *Ain't Misbehavin*, *Country Music Awards*, and *The Mac Davis Special*.

Through the television campaign, Polaroid said it expects to reach 91% of the adults in America an average of eight times.

The Amigo will also be advertised heavily in several national consumer publications, such as *Time*, *Newsweek*, *People*, *TV Guide*, *Southern Living* and *Us*.

The Sun camera line will begin with a network roadblocking campaign in April aimed at the affluent segments of the camera-buying market. A print





Two approaches to print ads for the same camera model are shown in these two examples from Olympus. In consumer magazines, Olympus features an autographed endorsement from model Cheryl Tiegs, who also appears in Olympus' television campaign. The print campaign for the photography fan publications, however, uses a strict product approach.

campaign will support the network ads beginning in May with pages in *Time, Newsweek, Sports Illustrated, Fortune, Psychology Today, Esquire, Better Homes & Gardens, The New Yorker, U.S. News and World Report* and *People*.

"We are not in the packaged goods business," explains James Andrews, Polaroid's advertising director. "So we go for impact in our ads. We use network television to demonstrate the product and to let the viewer see what instant photography is about. In print, we have more time to explain the features of the camera and we can print four-color photographs in such a way that they can be studied. We never retouch the photos shown in the ads."

According to Andrews, Polaroid shuns spot television because they are a nationally distributed product line. "Our business is the same across the country," he says, "so there is no reason for us to use spot tv except to cover variances in network delivery on a market by market basis."

Polaroid, like Kodak, spends the lion's share of its ad dollars in network television, with print the second major medium used. When the principal competition is the high-spending Eastman Kodak, it makes sense for Polaroid to go at its chief rival head-to-head. But, according to Andrews, the competition is more than just Kodak.

"I think we compete with all of the in-home and near-to-home entertainments," says Andrews. "With total disposable income down and the home entertainment field expanding, the competition is getting stiffer all the time."

To maintain its distinction within a crowded field, Polaroid continues to rely on the celebrity spokesperson. Despite the criticism from others that the reliance on celebrities helps make a crowded field even more confusing to the consumer, Andrews maintains that the Garner-Hartley series and other Polaroid celebrities used before them helped Polaroid's image with the consumer and also broke new ground for celebrity representations of commercial products.

"Our ads made it respectable for important actors in the prime of their careers to do ads," said Andrews. "That's true for our ads using Sir Laurence Olivier, Brenda Vaccaro, Alan Alda, Candice Bergen, as well as Jim Garner and Mariette Hartley.

"If you don't take them out of their natural characters, appearing in the ads won't hurt them. We never have the celebrities endorse the product, nor do we even mention their names."

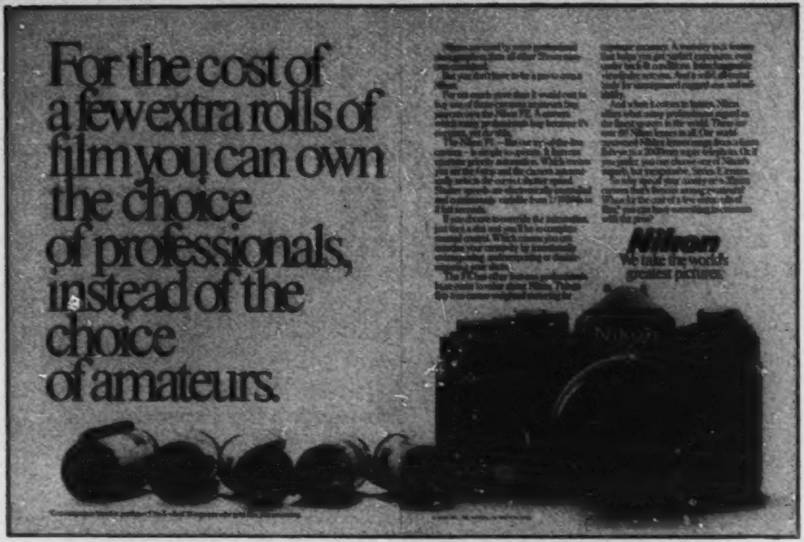
Canon

Among the 35 millimeter SLR camera lines, Canon is the leader both in market share and advertising budget. After spending $17 million in major media in 1980, according to LNA and BAR, Canon was running about 8% ahead during the first nine months of 1981. Unlike its instant camera and pocket camera rivals, Canon's media mix is fairly evenly divided between network and spot television, major consumer magazines and photography fan and trade publications. The company also spent $140,000 in outdoor during the first nine months of 1981.

John Jacobs of Grey Advertising said, "Part of the effort is to make the Canon Corporation a big corporate name. The use of outdoor is part of

YOU DESERVE A LOT MORE FROM A 35MM CAMERA THAN JUST AIM, FOCUS AND SHOOT.
PENTAX

Pentax print campaign strikes out at the strictly automated 35mm SLR camera, stressing the capacity of its Super Camera to go from automatic to manual control, a feature preferred by professionals.

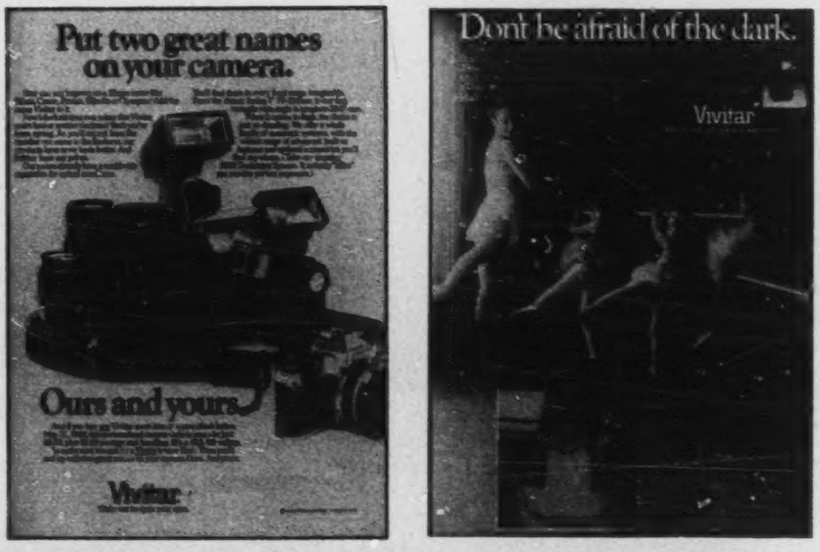

For the cost of a few extra rolls of film you can own the choice of professionals, instead of the choice of amateurs.
Nikon
We take the world's greatest pictures.

Nikon touts its image as the 35 millimeter SLR camera preferred by professional photographers, while suggesting that the price of its cameras is not out of the grasp of the serious amateur.

that. It is not a product campaign or a corporate campaign, but rather a name identification campaign. Many of the outdoor displays simply have the Canon logo on them."

The biggest campaign for Canon in 1981 was the promotion of the AE Program, a line of cameras extending the AE model line. This campaign caused one advertising director at a competing SLR camera house to lament: "Canon is the Procter & Gamble of the photography industry. Look at what they do. First they develop a first class product, then they come out with a new and improved version of the same thing and spend more advertising dollars on it than the competition can come up with."

Jacobs would agree.


Put two great names on your camera.
Ours and yours.
Vivitar
Don't be afraid of the dark.
Vivitar

Two different approaches to marketing the same line of accessories is put forward by Vivitar. In the ad above left, Vivitar offers a free monogramed camera strap promotion in an ad demonstrating the entire accessories line. The second ad is both an image ad and a demonstration of the results one can attain using the Vivitar flash units.

"I think that's a fair assessment of Canon's strategy," says Jacobs.

"Canon would like to raise itself to become the IBM or the Xerox of photography. The goal is to make Canon's name synonymous with the field."

To that end, Canon has gone heavily into sports sponsorships, advertising on baseball, basketball, hockey and other sporting events.

In addition, television ads were placed on several primetime network shows, late news broadcasts, documentaries, and the morning network lineup of the *Today Show, Good Morning America* and the CBS *Morning With Charles Kuralt.*

Canon also relied on the celebrity spokespersons through a series of ads that included a professional photographer turning over his camera to a professional sports figure turned amateur camera buff.

"The celebrities never promoted the product directly," says Jacobs, "unlike the Cheryl Tiegs ad for Olympus. Our ads showed a professional photographer shooting a pro athlete, and at the end turning the camera over to the sports figure."

While the Canon media mix was spread across the spectrum, radio was not included.

"We spent a lot of time looking into radio," says Jacobs, "but we couldn't convince ourselves that it would work. Magazines and television are fantastic for creative on camera ads.

"But radio removes the strength of using the visuals. And for that reason, we think that outdoor is more effective for Canon than radio."

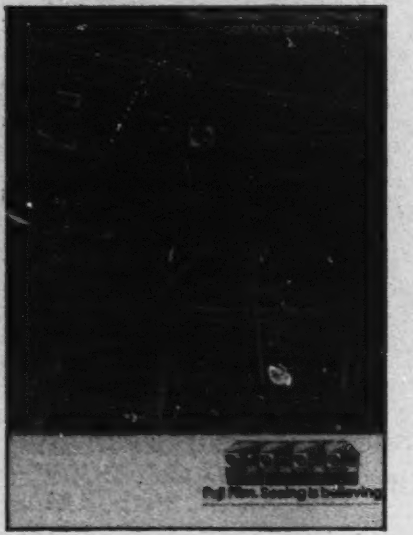
Pentax

According to LNA and BAR, Pentax, which holds the second largest share of the SLR market despite being only the fourth biggest SLR advertiser, registered a 14.7% cutback in ad dollars during the first nine months of 1981.

"Those figures are wrong," says Bob Newmark, vp-marketing for the Colorado-based camera company. "We actually had an increase in spending in 1981. The media measuring sources only seem to catch about 60% of what we really spend."

Pentax spent over $5 million in major media during the first three quarters last year, divided evenly between spot and network television, with magazines drawing about half of the spot tv budget, or $1 million. Again, Newmark maintains that the LNA/BAR figures for television are off.

"The media mix is about 60% spot tv and 40% network," says Newmark. "Spot television spending was up 15% to 20% last year. We used spot to get extra weight in our key metropolitan markets. It's the old saying, 20% of your customers account for 80% of your market."



Attempting to take a share of the film market from the leader Eastman Kodak, the Fuji film campaign demonstrates the life-like results from its film.

The tv buys included sports sponsorships on CBS Sports and ABC's *Wide World of Sports*, among others. Pentax also advertised on network news programs and made spot and network buys in primetime fare.

Newmark says, "Everybody out there is a prospective customer, but our main target is the higher income, well educated male. If we're buying sports, men are watching. We don't buy into the daytime soaps at all."

In print, Pentax maintains franchise positions in the photographic fan and trade publications. The company also advertises in several national consumer books, such as *Time*, *Newsweek*, *Playboy* and *Life*.

"We use radio a little here and there in some cooperative advertising with local dealers," adds Newmark. "But basically, we're in the business of selling pictures and there are no pictures with radio. Radio just doesn't work for us."

Newmark declined to reveal ad budget projections for 1982, but a new ad campaign effort is anticipated following the change of agencies at Pentax. The account left Ally & Gargano and Cunningham & Walsh earlier this year, transfering to the Minneapolis-based Campbell-Mithun.

"We reviewed our objectives for the next few years," says Newmark, "and we decided we need an agency that is big, but not so big that we would get lost. The new agency will handle product introductions and marketing support."

Konica

After using women's golfing champion Nancy Lopez to promote its SLR cameras, Konica has sworn off the celebrity promotion bandwagon.

"Using celebrities is the mistake we made and the mistake all the others are still making," says Ken Caro, director of marketing for Konica. "The celebrity is not what sells the camera."

Konica appears to be readying itself for another big advertising push this year after a reported decline in advertising activity last year.

According to LNA and BAR, Konica was running 46% behind during the first nine months of 1981. The company was also active only in the spot television medium, having dropped completely out of print advertising in 1981.

"There is no way that we were down 46% in advertising last year," says Caro, who declined to give Konica's correct ad figures. "We did drop out of magazines. With a limited budget compared to the competition, we felt we had to go for the impact of spot tv. But we are going back into magazines this year."

In addition to ads in the photographic fan and trade publications, Konica this year will appear in *Esquire*, *Money*, *Newsweek*, *Travel & Leisure*, *Signature*, *Gourmet*, *Discover*, *Science Digest* and *Psychology Today*, among others. Konica's FP-1, a fully-programed SLR with interchangeable lenses, will be featured in consumer magazines, while the more sophisticated Konica FS-1 will appear in the fan and trade books.

The reliance on spot television is based on the limited budget ($3.1 million in 1980), stretched to concentrate on key markets. Konica buys programs in sports, news and late night talk shows on a spot basis.

Vivitar

In 1980, according to LNA, BAR and Media Records, Vivitar spent $3.5 million promoting its 110 camera.

"We've had a shift in emphasis since then," said Bruce Cummings, director of U.S. marketing for Vivitar, whose main business is in optional camera lenses and accessories. "We spent our ad dollars against the 110 camera we make instead of on the 35 millimeter camera accessories. Then the 110 market began to decline. Essentially, now it is completely dead with the introduction of the Kodak disc camera. We have redesigned our campaign to promote our lenses and accessories."

> **"Konica's photography fan book ad campaign emphasized some of the more technical aspects of the FS-1, such as self-loading and built-in winder."**

With Vivitar's ad expenditures running even in 1981 compared to 1980, the accessories company switched its emphasis from spot television to magazines.

"Going heavier into magazines was a question of budget efficiency," says Cummings. "We need to reach the professional photographer, so last year we went heavy into the fan, general consumer and major newsweeklies. Spot television was used in the fall to set off the pre-Christmas season. All other media were out. We've got enough problems stretching our budget to cover spot tv and magazines."

A new campaign is also expected from Vivitar this year, especially after the company dropped BBDO/West this year in favor of the Beverly Hills-based Keye-Donna-Pearlstein agency.

"We're going in new directions," says Cummings. "We feel we need a smaller shop to handle it. It's time for a change."

Craig Reiss

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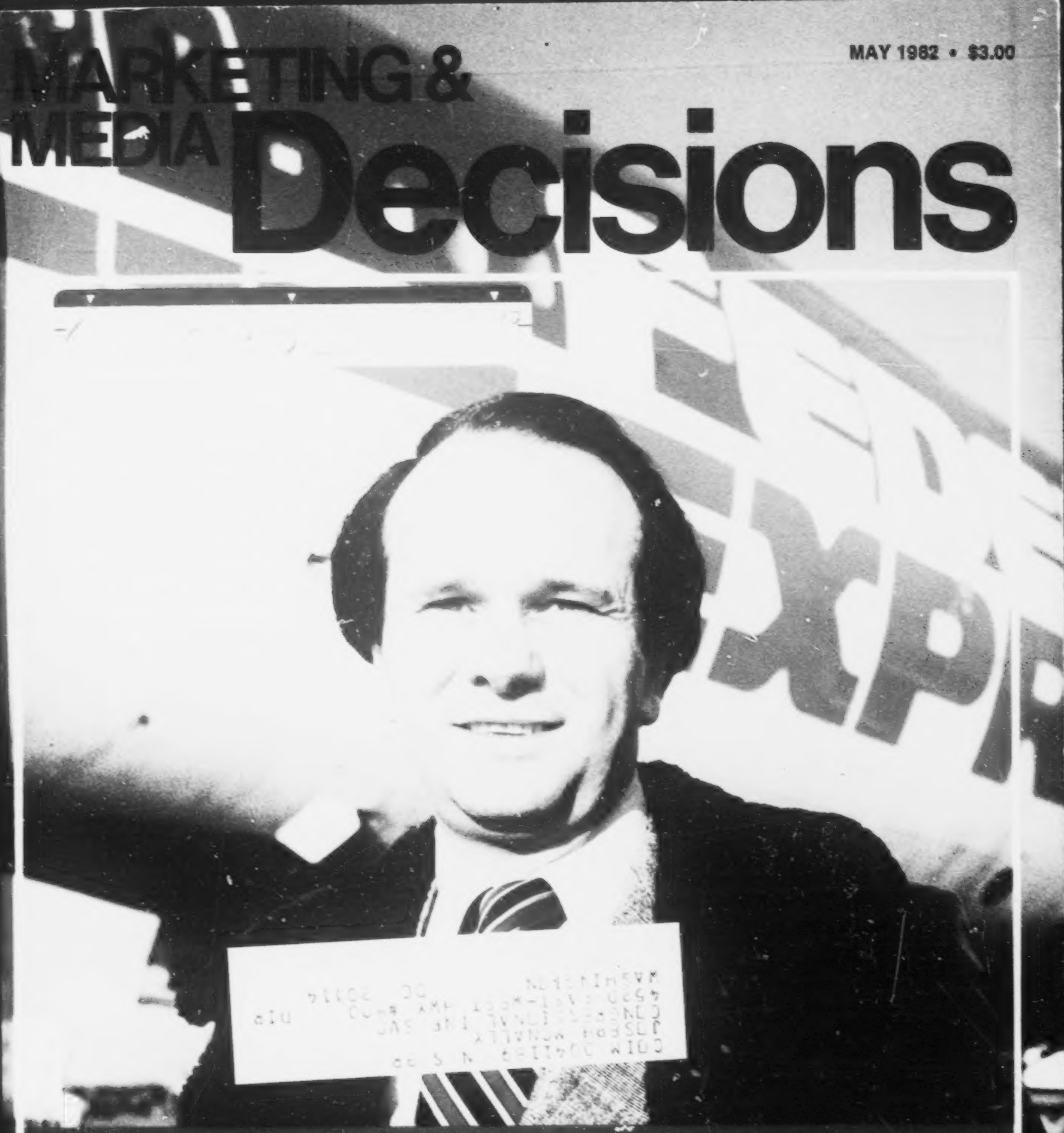

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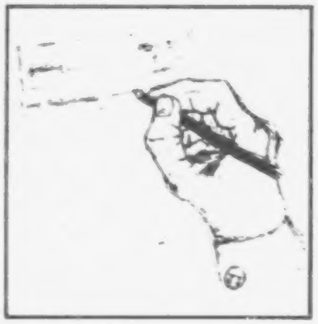

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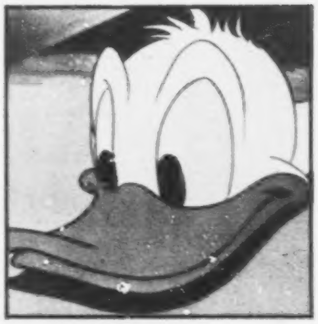

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CABLESCAN

Is a national cable buy a fantasy for now?

With thousands of individual cable franchises spread across the country, few ad agencies have been able to use the cable medium effectively for spot buys.

Instead, media buyers refer to buys made on cable networks as a so-called "national cable buy." But does such a buy really exist?

A.C. Nielsen recently released its cable universe estimates for February 1982, and the numbers reveal some interesting facts about cable's current capacity to deliver major markets across the country.

While total cable penetration nationwide is estimated by Nielsen at 29%, penetration in the top 30 Nielsen Station Index Designated Market Areas (DMA) for total tv households is 21.3%.

Continued on page 30

Cable universe in the top 30 tv markets

Designated Market Area	Total Tv households (000)	Cable households (000)	Ranking in top 50 Cable DMA's	Cable penetration %
1. New York	6,409.7	1,565.6	1	24.4
2. Los Angeles/Palm Springs	4,214.6	833.8	2	19.8
3. Chicago	2,944.8	174.5	35	5.9
4. Philadelphia	2,400.7	706.7	4	29.4
5. San Francisco/Oakland	1,950.2	787.9	3	40.4
6. Boston/Manchester/Worcester	1,920.1	348.2	8	18.1
7. Detroit	1,658.9	135.4	50	8.2
8. Washington, D.C./Hagerstown	1,467.6	179.9	31	12.3
9. Cleveland/Akron	1,402.0	311.2	10	22.2
10. Dallas/Fort Worth	1,355.9	201.5	26	14.9
11. Houston	1,255.0	236.0	17	18.8
12. Pittsburgh	1,202.4	545.8	5	45.4
13. Miami/Ft. Lauderdale	1,099.6	198.6	27	18.1
14. Seattle/Tacoma	1,093.8	390.0	6	35.7
15. Minneapolis/St. Paul	1,071.3	74.9	—	7.0
16. Atlanta	1,062.6	245.0	14	23.1
17. St. Louis	1,029.4	85.4	—	8.3
18. Tampa/St. Petersburg/Sarasota	1,028.7	227.3	20	22.1
19. Denver	858.9	105.6	—	12.3
20. Baltimore	835.1	66.8	—	8.0
21. Sacramento/Stockton	833.7	203.1	25	24.4
22. Indianapolis	804.4	192.8	28	24.0
23. Portland, Ore.	789.3	156.2	40	19.8
24. Phoenix/Flagstaff	727.1	103.2	—	14.2
25. Hartford/New Haven	707.8	329.9	9	46.6
26. Cincinnati	707.5	103.2	—	15.4
27. San Diego	699.1	390.2	7	55.8
28. Kansas City	688.9	209.3	23	30.4
29. Milwaukee	679.1	72.6	—	10.7
30. Nashville/Bowling Green	675.8	137.1	47	20.3
TOTALS	43,575.1	9,317.7	—	21.3

Source: A. C. Nielsen Co. cable universe estimates for Feb., 1982, and Nielsen U.S. tv household estimates for Sept., 1981.

CABLESCAN

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According to the Nielsen data, a national cable network buy — even if the programing service is received by all cable franchises in the U.S., and none are — would reach less than 175,000 households in Chicago, Detroit, and Washington, D.C., and less than 100,000 households in Minneapolis-St. Paul, St. Louis, Baltimore and Milwaukee.

In total, 40% of the top 30 Nielsen DMA's for broadcast television households are not among the top 30 cable DMA's. Of these, seven are not listed among the top 50 cable DMA's according to total number of households reached.

Hadassa Gerber, senior vp-director of new media technologies at McCann-Erickson, says the Nielsen data are no real surprise, but adds that the report should signal a major new phase in cable's development.

"Cable isn't a national medium," says Gerber. "Everyone knows penetration has been the lowest in the top markets. On the other hand, the rate of penetration in the top markets has been increasing over the past few years at a much higher rate than for the rest of the country.

"This is a new era for cable. If you look at the strongest and newest cable networks, you see them skewing more for the A and B counties, even though C and D penetration is greater."

Gerber says the next phase of cable franchise expansion will be unlocking access to the major markets.

"Phase two in cable development will be propelled by pay cable and tiering," says Gerber. "The A and B counties don't really need cable for improved reception."

In the meantime, Gerber says cable cannot be viewed on a national basis.

"Cable programing is not distributed equitably all over the nation," says Gerber. "Magazines in large part are the same way. If you make a national magazine buy, you may have to fill in the south with an extra buy in *Southern Living*, say, because most magazines skew to the north and northeast."

The cable threat and the NFL contract

When National Football League commissioner Pete Rozelle last month announced the signing of a new five year, $2 billion contract with the three broadcast networks to air NFL games, most industry observers speculated that the size and length of the deal was aimed in large part at freezing cable tv out of the nets' biggest money property.

At least one media expert, however, sees the new network-NFL deal as a ploy by Rozelle to use the threat of cable to inflate the networks' ante and give cable time to mature as a medium, both in audience reach and production capability.

David Martin, senior vp-broadcast media at Campbell-Ewald, explains the maneuvering this way: "Pete Rozelle is a very bright man who obviously recognized that if he had written a short term contract, he might have killed cable's chances for long term growth with the NFL.

Rozelle's posturing, however, was not aimed solely at the present state of affairs in cable or broadcast, according to Martin.

"Rozelle has made an implied endorsement," said Martin, "that in 1987 when the network contract expires, cable will be a full-blown bidding competitor with the other networks. He has been able to sell the networks on paying big dollars now to lock out cable, when he really wanted to keep cable out all along until it's ready.

"After the networks have paid this big price to give cable time to grow up, they are going to face a new, stronger competitor in 1987, which will inflate the cost of the programing all over again."

In the interim five years, Martin says, advertisers will play a growing role in helping develop cable television as a legitimate and capable contender in primetime sports fare, as well as other kinds of programing.

Martin has already had a hand in bringing major ticket sports programing to cable, starting this fall, for Campbell-Ewald client Chevrolet.

Martin said he had been looking for a sports property that would offer product exclusivity for Chevrolet. Network sports coverage was either too expensive or already filled with automotive exclusivities, he said. The alternative was cable, but the cable programing sources could not offer precisely what he wanted: big name American football in primetime.

Martin said he discussed the need with several cable networks, including Ted Turner's WTBS SuperStation in Atlanta. Martin had his sights on the NCAA football contract that was coming up for bidding in a few days. Martin and WTBS president Robert Wussler discussed the amount it would take for WTBS to win the bid. Wussler cited a figure of $20 million, according to Martin.

Martin then took the idea to Chevrolet, which quickly backed it, authorizing Campbell-Ewald to tell Turner that Chevy would buy up the automotive exclusivity position in the NCAA cablecasts if Turner could win the bid. With that commitment, Martin says, WTBS went to the $20 million limit, won the NCAA franchise for 19 games over two years, and provided Chevrolet with exclusive exposure.

The cooperative financial relationships between advertiser and cable network will expand, Martin says, not only at Campbell-Ewald, but at other agencies.

"Do you think that Campbell-Ewald is not looking at the end of the NFL's five year pact?" Martin asked rhetorically. "The question now is how to develop relations with the cable networks that will allow you to cash in in five years. While I firmly believe you should never make a bad buy in anticipation of a good one, it is still essential now that we start developing good, creative working relationships with the cable networks."

MAGAZINES
by JOEL FISHER
vp, Compton Advertising,
New York.

Compton's view of magazines — part one: How healthy?

Word has it that these are not the best of times for magazines.

The trade press has given wide coverage to the fact that certain large and well known publications have fallen on hard times — particularly in the women's service area. There have been several well publicized rate base drops while other rate base reductions are rumored to follow within a short period of time. The magazines themselves have adopted a certain defensive posture which suggests that there may be some truth to speculations of hard times.

They are declaring, and perhaps a bit too loudly, that in fact there are no major problems. It is perceived by some that perhaps these magazines "do protest too much" — the catalyst which promoted them to defend their position with such vigor, was, and is, a leak in the dam. Instead of using appropriate measures to secure their position, they have in effect built a castle of words to hide behind. The question remains, are magazines in trouble?

> “**Magazines have adopted a defensive posture which suggests that there may be some truth to speculations of hard times. It is perceived by some that perhaps these magazines 'do protest too much.'**”

Answer: perhaps.

Certainly, selected magazines are less well off than they would like to be, while others are doing quite well. An interpretation of available data can lead one to conclude that either magazines are in trouble or that they're doing well, if not spectacularly at least as well as could be expected.

We will let you draw your own conclusions based on the following evidence.

After enjoying several years of spectacular page sales gains, the number of advertising pages sold has leveled off in 1980 (in fact, there were fewer pages sold in 1980 than 1979).

Year	Pages	% vs. year ago
1980	114,705	100%
1979	114,957	105%
1978	109,082	110%
1977	98,768	115%
1976	85,532	—

Source: PIB.

Certainly a statistician reviewing these data would conclude that there is a definite downward trend in magazine page sales. Such a trend, it would be surmised, would continue into the future and we should expect to see significant losses (5% yearly) of page sales in the immediate future.

An arguably more simplistic analysis (ours, actually) of the same data might suggest that magazines have attained a peaked plateau. A satisfactorily high level that, for the immediate future at least, they should be able to maintain, and perhaps at some later point exceed.

In spite of page trends, general magazine advertising revenues have continued to increase at an authoritative rate and show no signs of slump.

Year	Dollars	% vs. year ago
1981	$3,222,747,000	112%
1980	2,872,621,000	109%
1979	2,633,979,000	111%
1978	2,364,769,000	120%
1977	1,965,411,000	—

Source: PIB/LNA Magazine Ranking Reports

Not only do magazines exhibit sustaining dollar strength as an absolute measure, but also in a relative sense versus other media. (See table on this page).

In 1980, magazines commanded a larger slice of the advertising pie (22.4%) than ever before.

Nor have the top ten advertisers shown any significant trendable breach of confidence in the medium. (See table on next page).

An evaluation of the past five years shows that in 1980 magazines enjoyed the second highest percentage of total advertising revenues over that time period. However, these data might be somewhat confusing as five of the top ten non-cigarette advertisers decreased their magazine allocations in 1980 versus 1979.

And, of course, there has been a great deal of discussion as to the number of magazines which have closed shop in recent years: *Look* (twice), *Life* (reformulated), *Next*, *Post*, etc. On the other hand, our research suggests that there have been more new title entries in the past few years than ever before.

One question that begs our perusal is

Percentage of total advertising revenues

Year	Mags	Index to year ago	Tv Net	Tv Spot	Tv Total
1980	22.4	105	40.6	30.8	71.4
1979	21.4	99	38.4	33.8	72.2
1978	22.1	105	38.3	34.3	72.6
1977	21.0	105	38.7	34.3	73.0
1976	20.0	—	36.9	37.0	73.9

Magazines as a percentage of total billing

Year	Top 10	Year ago index	Top 12 (less cig. mfrs)	Year ago index
1980	17.9	98	12.5	102
1979	18.2	109	12.2	85
1978	16.7	103	14.4	110
1977	16.2	109	13.1	102
1976	14.8	—	12.8	—

Source: LNA

the relative cost of publishing versus revenues. It is no secret that paper and postage rates have spiraled at a quicker rate, in fact, than standard inflation. This of course, impacts on the profitability of magazines and may understandably be their greatest cause of concern. To what extent this is so is difficult to determine, but solutions to this problem (new modes of distribution) may not be too unrealistic to anticipate.

What does not fall in the realm of crystal balling is that magazines will pass along a part of these increased costs to consumers, some have already, in terms of higher newstand/subscription costs. Some loss of circulation results. In fact, Compton estimates that the top 50 magazines will drop over five million in circulation by 1990.

What can one conclude from all these numbers? As we suggested earlier, they are somewhat confusing. There are some trends that indicate uncompromising strength while others intimate otherwise.

We conclude that the future is bright for the magazine industry as a whole. While we may see less massive, generically oriented publications, we will see many more smaller, special interest ones. ■

OUT-OF-HOME
by ROBERT FLOOD
general manager/corporate outdoor,
D'Arcy-MacManus & Masius, St. Louis.

For shoppers only mall advertising

Of the many types of signs that go to make up the very broad and diverse advertising category known as out-of-home media, one of the most attractive and perhaps least-known is that segment called mall advertising. Unlike most other forms of out-of-home, this is a postwar or post-Korea phenomena. This is due principally to the fact that the habitat (the large regional mall) for these displays did not exist in sufficient numbers until the last 20 years or so.

The medium's inception dates to the late 60's when Ross Barrett, group vice-president of Metromedia, built the first structures in Southern California and christened the medium, "Peoples Gallery". Due to start-up costs, the infant medium lost money in the early years, and for tax reasons Metromedia elected to sell the mall sign network in 1971. But fortunately the concept and the company survived and prospered under the direction of Paul Lerew, the new owner.

The concept also appealed to another outdoor organization, 3M's National Advertising Company, and they entered the picture in the mid-'70's. Actually the idea was not new to National as they had pioneered the shopping center medium years earlier with signs hung from the lamp posts in the parking lots. Although the lamp post signs are gone now, the earlier experience stood them in good stead, and they expanded rapidly.

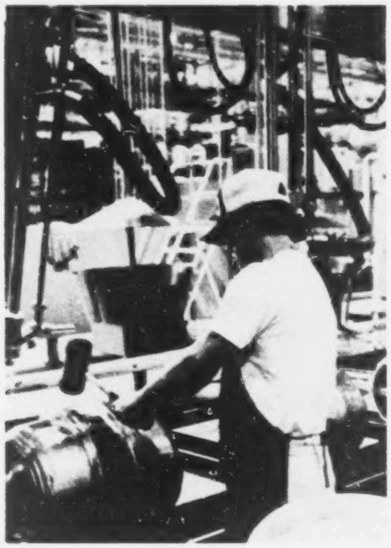
National now has signs in over 400 malls spread over 156 cities and is adding more. This total includes representation in 38 of the top 50 markets. Virtually all of their malls are confined to the top 200 markets.

Patterned somewhat after the free-standing European kiosks, both National and Peoples Gallery Mall Media offer an attractive three-sided structure with plexiglass faces. Mall managers insist on good housekeeping, so maintenance of signs in a first class condition is a must. While all signs are vertical in configuration, the two companies have different size standards with National employing a 40" x 50" copy area and P.G. opting for 46" x 60". At least one advertiser, R. J. Reynolds, has overcome the size differential by printing with a white border around the live copy for the larger units and trimming the border off for a bleed effect on the smaller signs.

National estimates that 75% of their signs are illuminated from the rear . . . an obvious plus, although the ambient light in the mall is certainly adequate for easy viewing. Many of the signs incorporate a directory on one side with the other two faces devoted to advertising. The signs are located strategically in high traffic areas to provide maximum reach and high circulation.

The audience is 2/3 female, and 65% of the visitors have family incomes of $20,000 and up with over 50% in the $25,000 and up brackets. The average adult makes 4.2 trips to the center each month. With an estimated 40% plus of all retail sales occurring in shopping malls, the significance of this combination out-of-home/point of purchase medium is steadily growing.

While mall advertising offers an obvious benefit to any product or service available in the mall, not all shop-



BRAND REPORT 76:

Beer

As Anheuser-Busch and Miller dominate the field with a combined 51% share of U.S. beer sales, second tier brewers are struggling to work out mergers, and find ways to maintain media presence. Total media spending rose in 1981 by 2%, after three years of more dramatic increases.

More than ever, in 1981, the beer brewing business veered toward two-company dominance.

The giants of the field, Anheuser-Busch and Miller Brewing Company, tightened their ever-strengthening grasp on share of sales. Once mighty brands like Schlitz and Pabst are finding their market share slowly squeezed into relative insignificance.

But the maverick of the business, Heileman, with a plethora of regional brands, continues to build its business. Heileman Old Style is among the top 10 in barrelage for 1981.

Together, Anheuser-Busch and Miller accounted for 51% of industry sales in the U.S. last year, as the pressure on Schlitz, Pabst, Heileman and others for mergers or buyouts increased. But these efforts last year came to naught, when the Federal Justice Department ruled that the proposed Heileman and Schlitz merger would be anti-competitive. A Heileman bid to buy into Pabst was rejected. But in April this year, after initial objections, Schlitz did accept a stock offer from Stroh at $17 per share.

Meanwhile, the introduction of new brands in light and super-premium segments steamrollered as line extensions become almost as pervasive as in the cigarette business. The latest bold move is Anheuser-Busch's 38 state roll-out of Budweiser Light, which it hopes will finally provide some marketing leverage against Miller's vastly successful and firmly entrenched Lite.

Stroh, the still strong Detroit brewer, is trying a super-premium line extension. But the introduction of super-premiums by regional brewers has been risky; Olympia's Medalion, for example, had discouraging results. Coors, undaunted, is rolling out its premium priced George Killian's Irish Red ale this spring in its marketing area, and is taking a cautious approach with Herman Josephs'.

Imports, which hold a small share but have been coming on in the past five years, now own close to 3% of the U.S. market, with Heineken vastly out-distancing the second place Canadian brew, Molson. U.S. brewers who have signed distribution rights agreements with overseas brewers haven't met with much success, but neither have they put forward much advertising and marketing effort on behalf of those brands.

After several years of close to 4% increases in sales per year, the market flattened last year and showed a mere 2% increase. Most growth in market share was gained at the expense of other brands.

While the sales total expanded slightly, media expenditures tabulated by Leading National Advertisers, in conjunction with BAR, for the first three quarters of 1981, stayed nearly flat. The six media total for 1980, January through September was $242 million, as compared with $245 million for the same period in 1981. The increase for the year is likely to be under 1%, a stark levelling off after five years of unprecedented expansion.

Apparently, the competitors of Anheuser-Busch and Miller have been forced to trim their sails after the light and super-premium marketing battles of the past few years. The increase in 1980 over 1979 was 8%, while the 1979 increase over 1978 was 22%, and the increase the year before was 30%.

The spending patterns remain mostly unchanged, as network and spot television continue to be the anchor media for an industry geared for selling and reaching a mass audience that — by small degrees — includes a growing number of women. Spot radio is still a strong medium for brewers, with its access to local sports events that reach people driving, at the beach, or otherwise not within eyeshot of a television screen.

Anheuser-Busch

The preeminence of this brewer in the field was beyond question in 1981, as flagship brand Budweiser continued to build its staggering lead and reinforce its position as the best selling premium beer in the world.

A-B's other brands, Michelob and Busch, continued to do well, but Natural Light showed little momentum in 1981. In the light beer category — and there only — A-B has found the marketing terrain distressingly uphill. A-B's share of this fastest expanding segment of the business stood at 17% at the start of 1982, even with two brands on the shelves, Michelob Light as well as Natural. Still owning this segment is Miller Lite with a 60% share, and this has been a galling situation for A-B to accept.

Putting a brand up against Lite is the equivalent of running an untried new sitcom in the same time slot as *Three's Company*. So far, many have been called but few have been chosen.

But if A-B is going to break Miller's hammerlock on the category, it must make an enormous effort and stake the company's prestige on the outcome. That is just what is happening this year as A-B rolls out Budweiser Light in the North, Southeast and Midwest. The brand name of the king of beers is riding on the outcome of this new product introduction.

After test marketing the product since May 1981 in the South and Southwest, A-B rolled the brand out in March 1982, and expects to distribute it nationally by the end of June.

Copy for the new brand in television spots challenges: "Bring out your best." A-B marketing researchers have established that taste is the major factor in light beer purchase decisions.

Introductory commercials feature a single Clydesdale horse running freely, symbolic of the origin and heritage of the brand. Subsequent executions will depict competitive situations in popular participation sports. A sustaining commercial will also use the solo Clydesdale horse as a brand identity reminder.

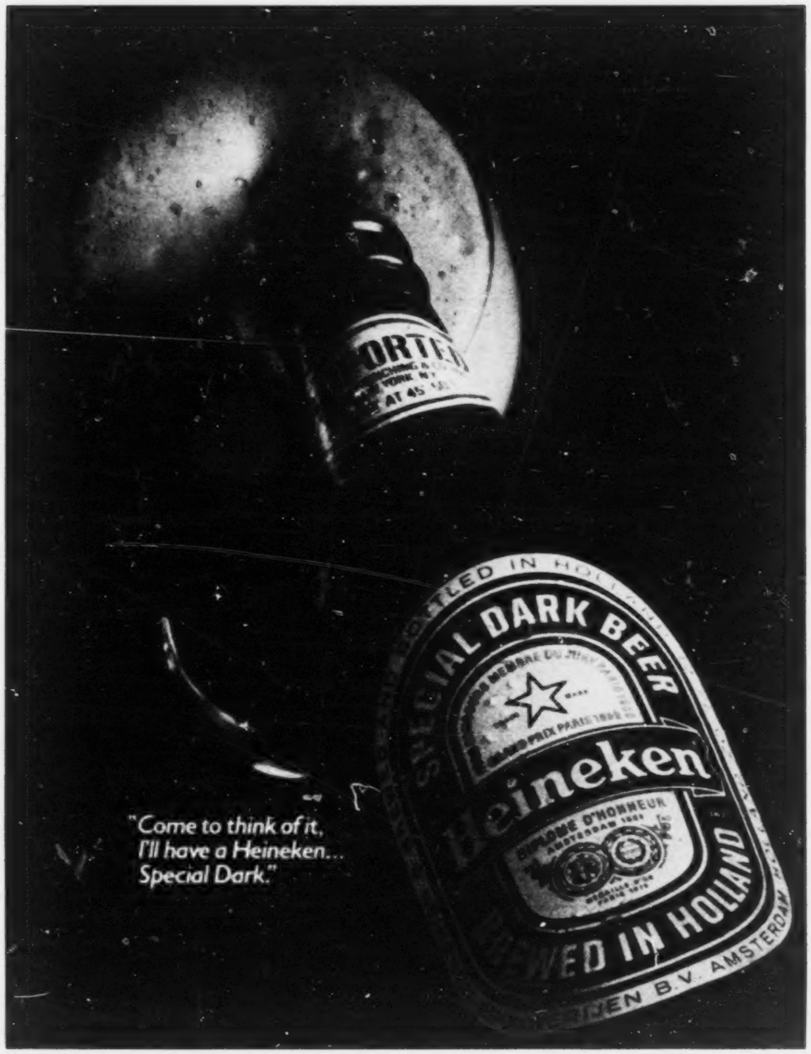
Budweiser Light gives A-B entries in all three price categories in the market, positioned between Natural and Michelob Light.

Once the brand is national, its media plan will look much like regular Bud's, with network and spot radio,

Beer media expenditures, first three quarters 1981

Brand	Total	Magazines	Network tv	Spot tv	Network radio	Outdoor	Percent change from previous year
Budweiser	$29,507,300	$ 806,400	$16,152,100	$9,532,000	$1,917,500	$1,090,000	+29%
Busch	7,700,600		430,200	6,946,200		324,200	−26
Michelob	28,072,600	2,584,500	21,676,200	3,496,900	197,400	117,600	+22
Natural Light	12,270,300	754,000	9,831,600	1,666,000	9,600	6,100	−02
Coors	10,639,900	15,600	3,992,700	5,814,700		816,900	+08
Coors Light	5,447,300			5,303,400		143,900	−02
Molson	2,025,400	1,119,400		633,700		272,300	−01
Olympia	10,052,600	25,400	4,840,300	4,892,000		274,500	+09
Pabst	12,291,600	855,700	4,457,300	6,740,600	26,000	212,000	+09
Lowenbrau	12,129,200	15,100	8,456,000	3,654,500		3,600	−03
Miller	22,998,600	258,200	17,264,400	5,363,700		112,300	−05
Lite	19,531,700	88,100	15,799,700	3,690,900		33,000	−07
Schlitz	9,869,900	493,400	6,747,200	2,011,100	64,200	554,000	−30
Old Milwaukee	4,771,200	302,400	1,064,800	3,404,000			+09
Erlanger	3,614,900	1,529,000		342,500		1,311,400	−59
Stroh	7,563,900		4,348,000	3,172,200		43,700	+16
Heineken	5,556,800	2,593,100		2,963,700		—	+66

Source: Leading National Advertisers/Broadcast Advertising Reports.



Heineken, now with SSC&B, still uses magazines and prominent depiction of the bottle, in addition to its recent move into tv.

magazines and outdoor to provide maximum exposure.

Meanwhile, regular Budweiser continues to build its brand share leadership and push to within a fraction of 20% of the total market.

In 1981, Budweiser really put the heat on its competitors, boosting its LNA spending from $20.9 million to $29 million, the largest expenditure for a single brand of beer, well ahead of Miller High Life's $24.3 million. The increases were in network and spot tv, with spot jumping about 80% to $9.5 million, and network up about 25% to $16.2 million. Outdoor nearly doubled to $1.1 million, and magazines edged up about 8% to $806,400.

A similar pattern can be seen for Michelob, which spent $28.1 million, a bit less than Budweiser. The use of spot tv was vastly expanded from under $1 million to $3.5 million, and network tv billing climbed from $19.7 million to $21.7 million.

The magazine budget was expanded by 50% to $2.6 million, and network radio got a boost to nearly $200,000.

Spending for Natural Light was down slightly at $12.3 million. The cuts were mostly in network and spot television.

A key area of expansion for A-B is cable television, with commitments to ESPN and a recent multi-year, multi-million contract with the Black Entertainment Television network, commencing in May, with exclusive rights in the beer category. A-B was a charter advertiser with BET when it first transmitted in January of 1981.

Charles B. Fruit, vp-corporate media, said of the move, "this is an expression of our ongoing confidence in the ability of BET to deliver programing that meets specific marketing objectives. It is also a way for us to let black consumers know that we value their patronage and that we want to be actively involved in activities that are of interest and benefit to the black community.

"We're positioning ourselves to be there when cable blooms," Fruit added.

As for A-B's apparent increase in its spot television budget, Fruit explained that it is the result of an expanded sponsorship program of local professional sports. A-B added to its local sponsorships to include six new teams, including the Yankees, Knicks and Rangers in the New York metro area. "This move is in line with our emphasis on sports," he said.

Another marketing move is the test of liter bottles for Michelob, which so far has been available only in 12- and 6-ounce bottles. No decision has been made for national distribution, as yet.

Coors

The one-time giant of the west has had several feet of its stature removed in the past five years, largely due to an intensive marketing effort by Anheuser-Busch in California. A-B contends it has lopped two or three percentage points off Coors' share in the past two years.

But the Golden, Colorado brewing company has been fighting fiercely to retain its share of market. Five years ago, Coors was a one-brand brewer. Going into 1982, Coors has a light brand extension, a super-premium — Herman Joseph — and, since March, George Killian's Red Irish ale.

The going with Herman Joseph's has been slow, as Coors tried a variety of price and media mixes in the Southwest, and recently expanded the brand into Colorado.

But the company's success remains tied to Coors regular and light, which have had sales problems. While Coors light quickly rose to the number two spot in national sales, other brewers contend much of that growth was at the expense of Coors regular. Coors execs admit a 10% cannibalism rate.

1981 brewery shipments for 1981 show Coors with 13.26 million barrels, down 3.8% from 1980's 13.78 million barrels. But a strong fourth quarter was reported.

With its expansion into southern states, Coors regular is increasingly able to benefit from network television. Through its agency, Ted Bates, Coors worked out a joint arrangement with Stroh for a split network buy, with Coors getting the area west of the Mississippi. Accordingly, the network budget went up in 1981 to over $4 million, more than double what it was in 1980. As a consequence, spot tv expenditures declined, but only by about $1 million. Outdoor was also up in 1981 to about $1 million, nearly a 20% jump over 1980.

1981 Brewery Shipments

	'81 Bbl (Mil)	'80 Bbl (Mil)	% Change '81 vs '80
A-B	54.5	50.2	+8.6%
Miller	40.3	37.3	+8.1
Schlitz	14.3	14.95	−4.3
Heileman	13.96	13.27	+5.2
Pabst	13.46	15.09	−10.8
Coors	13.26	13.78	−3.8
Olympia	5.71	6.09	−6.3

Source: Brewery Year-End Announcements — Beverage World

But for the first three quarter, Coors Light expenditures in spot tv declined, and overall, for the first three quarters of 1981, the total for the media was down. There was a small increase in outdoor.

Coors has also been active in creating and using specialty programs — among them *The Great Western Outdoorsman* on spot television, and active participation in The Pro Rodeo Network on radio. These efforts, while not high budget buys, maintain the western and outdoor image.

Heileman

The maverick of the brewing industry is proving the effectiveness of its pinpoint marketing with numerous brands in a variety of areas as an effective response to the national strength of Anheuser-Busch and Miller. Heileman markets 24 brands, among them six lights, two malt liquors and one super-premium. Heileman was also only the third major brewer, along with Anheuser-Busch and Miller, to post a barrelage gain in 1981, a 5.2% increase. This was from 13.27 million barrels in 1980 to 13.96 last year, short of the goal of 14.5 million barrels, but moving up to fourth place in barrelage.

Heileman president Russell G. Cleary contends that second tier brewers need to merge to effectively compete with A-B and Miller. However his merger efforts have been frustrated by the Justice Department, which blocked the Schlitz merger. "The preservation of competition in the brewing industry by necessity will require further combinations within the second tier brewers in order to assure competition, particularly in the Sun Belt states where A-B and Miller have huge market shares," he commented in published sources. "It is hoped that the Department of Justice will be more realistic in view of the rapid growth of the two largest brewers, who now have the majority of U.S. beer sales."

In Cleary's view, the beer business is regional, and the company has concentrated on the acquisition of regional brands while building those it already owns. "We have chosen not to force our brands into new markets but to build on the regional brands we have acquired. They have been there for years and mean something to people," he says.

"If you look at the brewers below number two, you will see that they don't have uniform sales across the nation. Each brand sells well in a particular area. If we were to buy Pabst or Schlitz or whoever, there would be no reason to try to sell the brands nationally. You just want to fish where the fish are."

Cleary has indicated that the company would like to expand in the fast growing southern market. "Obviously, we would like to develop a southern strategy that would get us a piece of that market, because Miller and Busch, due to their plant locations, pretty much dominate those locations."

But, Cleary states, "Our number one objective is to stay number one in the charts which indicate we are first in return on equity growth. To try to play that mega-billion game with these guys would be a real mistake. They can outbid us on every athletic event — even on television. To play their game would be like playing poker with Howard Hughes; he could outbid you every time."

Consequently, Heileman, with its 24 brands, has been primarily a spot television and spot radio advertiser. Last year it invested about $34 million. But Cleary is realistic about the effect of his limited budget. "We've got the BB-gun going against the cannons of the competition."

Averaged out, that's about $1.5 million per brand, but in practice, some get more, some less.

The most luxuriously treated brand last year was listed by LNA/BAR as Heileman, which includes Old Style, Old Style Light and Special Export, the company's flagship brands. These brands were treated to network television to the tune of $1.8 million. That figure was up from $1.1 million in 1980.

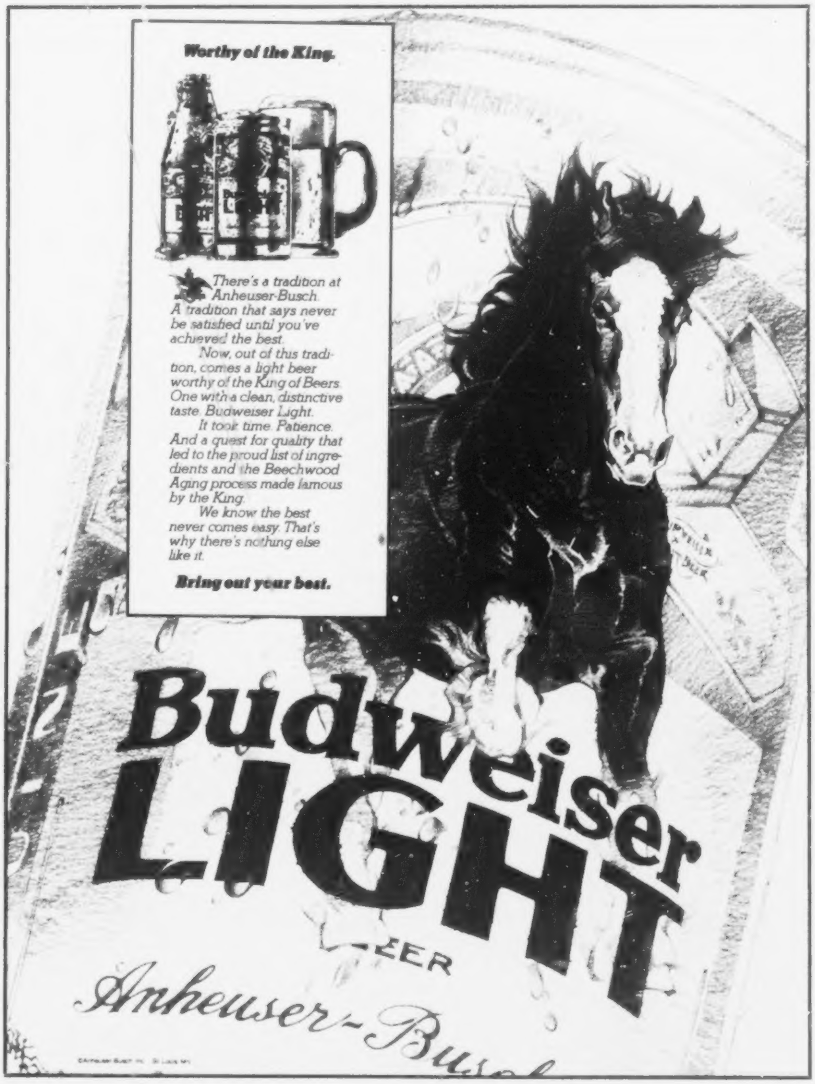
Creative for Heileman's brands is simple, focusing on the tangible consumer benefit from the product rather than the lifestyle associations so dear to some national advertisers.

John Edase, vp, marketing for Heileman, says that national and local network were used only on Colt 45 malt liquor, and for Old Style. The budget for 1982, he says, is up 10%.

Commenting on creative, he added, "There's room for only one star in our commercials, and it has to be the product itself."

Miller

By keeping pace with Anheuser-Busch, Miller Brewing solidified its hold on the number two spot. Miller's shipments last year climbed to 40.3 million barrels, 8.1% over 1980's 37.3 million barrels.



Worthy of the King.

There's a tradition at Anheuser-Busch. A tradition that says never be satisfied until you've achieved the best.

Now, out of this tradition, comes a light beer worthy of the King of Beers. One with a clean, distinctive taste. Budweiser Light.

It took time. Patience. And a quest for quality that led to the proud list of ingredients and the Beechwood Aging process made famous by the King.

We know the best never comes easy. That's why there's nothing else like it.

Bring out your best.

Anheuser-Busch is using newspapers for the introduction of its Budweiser Light, with 195 liner, six-column ads. Creative uses package registration image and short copy style.

Miller's strength continues to build mainly on sales of Lite, which became the number three selling national brand. Miller's super-premium Lowenbrau has not shown noticable momentum despite substantial media support since its introduction.

Efforts to introduce new products in addition to Lite in recent years haven't gone beyond test market. Miller Ale and malt liquor have had scanty advertising support, at best. But a new super-premium is showing promise.

So Miller continues to be a three brand company, with High Life and Lite going strong, and Lowenbrau as the potentially weak member of the brand team.

Spending on these three brands for the first three quarters of 1981, on primary media network and spot television was down slightly in comparision with the same period of 1980. As measured by LNA/BAR, Lite had the largest drop, from $21 million, to $19.5 million. One difference between the two years is that Miller opted for a token presence in magazines. Even in early 1982, Miller had the back cover of *Film Comment*, reaching for audience it could be missing by such heavy reliance on television and sports vehicles. The major expenditure was for High Life, with $258,200 in magazines in 1981, up from $141,300 in 1980.

But in trimming its media sails, Miller certainly didn't diminish sales momentum. Growth of sales for the brewer was just half of one percentage point lower than industry leader Anheuser-Busch.

Executives at Miller decline to comment either on published figures from LNA/BAR or disclose what media expenditures actually are. There may have been no actual decline in spending.

But a company spokesman did report that Miller would continue to seek sports sponsorships and adjacencies in network television. "We continue to look to network sports to be a beneficial and major part of our advertising program."

Miller is also expanding test marketing for its new super-premium Miller Special Reserve. The brand was expanded from three markets, Rhode Island, Denver and San Diego, in late March, to include Tucson, Fresno, Atlanta, Rochester, Baltimore and Milwaukee. The theme for the brand, created by Young & Rubicam, Chicago: "Taste the best in life."

Miller's spokesman says: "We've been very pleased with what happened; the performance has exceeded our expectations."

In deflecting speculation about the reasons for bringing out a second super-premium, the spokesman noted that expansion in that market segment is running at about 25% a year. Certainly, Miller Brewing would like the industry to think that segment growth rather than disappointing performance by Lowenbrau is the primary motivation for the introduction of Special Reserve.

Pabst

This beleagured big brewer is only one of several beset by declining sales, management changes, and the consolidation of business in the marketing hands of Anheuser-Busch and Miller. Despite an agency change and shifts at the top, Pabst has had trouble holding its own.

In 1981, Pabst shipped 13.46 million barrels, down 10.8% from the 15.09 million barrels of the previous year.

The growth in the light beer category didn't carry Pabst along with it, although a new light beer is due for introduction in late spring. Nor did Pabst do much with its super-premium Andeker, which had been scheduled for wider distribution and weightier media support.

To correct some of these difficulties, Pabst abandoned the brand manager system late last year and set up an in-house advertising department. Under the direction of Richard Ratcheson, the new department is working on a new theme for the Pabst brand. Apparently, McCann-Erickson's most recent minimalist copy art for Blue Ribbon created no great waves in the marketplace.

Spending for the Pabst Blue Ribbon brand edged up last year about 9% to $12.3 million, with more money invested in spot and network television, and about 40% less in magazines than in 1980.

The plan for 1982, Ratcheson explains, "takes Pabst entirely out of network television. The primary thrust this year is on spot television for Pabst Blue Ribbon, for which media is being tailored on a market by market basis."

Magazines are also off the 1982 schedule, save for the use of trade magazines for promotion to the trade. Spot radio, however, is being continued in 1982. The brand manager system was replaced by an in-house advertising department, Ratcheson said, "to achieve cleaner line of communication with the agency. It also allows us to better coordinate the activity of all our brands. We can rely on them for media services and promotional activities."

The new advertising department continues to work with McCann-Erickson.

Pabst's super-premium brand, Andeker, gets little media support — this after some activity in the previous two years — as the company focuses its major efforts on the flagship brand, Blue Ribbon.

In the new product area, Pabst is putting Jacob Best premium light beer into test, named for the company's 19th century founder. It is Pabst's second light beer, the first of which is Extra Light.

And in mid-March, Pabst took a page from Heileman, by purchasing the small Pittsburgh Brewing Company.

Schlitz

The one-time number two brewer in the U.S. still holds the number three slot, but its lead over Heileman and others in the second tier is anything but vast. A merger with another brewer or outright purchase by a well financed company from outside the brewing business no doubt would benefit Schlitz.

With diminishing sales come diminishing advertising dollars and that tends to produce a self perpetuating downward spiral.

Schlitz made a valiant effort with the 1981 NFL playoffs and Super Bowl, with its very expensive taste-test commericals, but the results weren't conclusive enough to reverse the trend of the previous years.

Last year Schlitz's shipments declined 4.3%, from 14.95 million barrels to 14.3 million barrels.

Media expenditures for the Schlitz brand declined by $4.5 million, as the use of magazines was expanded, and network and spot tv were cut back.

Expenditures for Old Milwaukee, the popular priced brew, increased slightly, according to LNA/BAR, as magazines were added to the schedule. Schlitz's super-premium brand, Erlanger, took the sharpest spending cut, slipping from $8.8 million to $3.6 million. In a sharp strategy shift, outdoor was vastly expanded to $1.3 million, spot tv trimmed from $2.6 million to $324,000, and magazines increased from $904,000 to $1.5 million. Network television, which had accounted for $5.3 million in 1980, was cut totally from the Erlanger schedule.

Schlitz is continuing to use chief executive officer and brew master

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Frank Sellinger as spokesman for its flagship brand. Sellinger is shown on tv commercials talking to consumers who are sworn Budweiser-to-Michelob drinkers, who respond favorably to Schlitz.

But Schlitz isn't commenting on the upward or downward movement of its advertising budgets. With broadcast costs constantly increasing, apparently Schlitz is looking to other media, magazines and outdoor, to get equal visibility, if not impact, at a lower price.

A Schlitz spokesperson says that, although more money is being invested in magazines, that isn't to be interpreted as a rejection of network and spot television. Both are still considered to be most important in the media plan. But the increased magazine expenditures, the spokesperson says, represent an effort to bring greater attention to and support of the Schlitz point-of-purchase promotion program.

Imports

Although they hold just under three percent of the market, imports have been on the rise since 1970, when they held under one per cent. Predictions about their future vary. Conservatives suggest they will top out at about 5% at the end of the decade, while optimists foresee a ten percent share by 1990.

Whichever prediction is accurate, they can be counted to spend heavily to hold and build share, and will continue to invest more in media dollars than is represented by their share of market.

Advertising by imports continues to be regional and probably will stay that way, as distribution is clustered in the Northeast and on the West Coast. Even the redoubtable Anheuser-Busch took its import, Wurtzberger, out of distribution in the Midwest and is confining its marketing of the product to the Northeast region.

In a move in the opposite direction, Heileman has taken on the distribution of Beck's light and dark, in a 22-state area.

Heineken

The most successful import in the U.S., Heineken has established a strong grip on the market. It has a 42% share of import sales — more than Budweiser has among domestics. Under the aegis of importer Leo Van Munching Inc., Heineken increased its share by 2% last year, and made its first firm commitment to television. Ironically, Heineken made its first tv appearance in commercials for its competitor, Kronenborg.

After years of success with Doremus, Uptown, Van Munching opted for a larger agency with television expertise, SSC&B. In the 1970's the strength of the brand was built with magazines and spot radio.

The move into spot television, with the theme, "Come to think of it, I'll have a Heineken," has more than doubled media expenditures. With $3 million in spot tv and an increase in the magazine budget from $1.6 million to $2.6 million, Van Munching is now spending on a par with some of the stronger regionals.

Kronenbourg

This French brew of Alsacian origin was found only in French restaurants five years ago, but in the last two years, the brand's push into the Northeast has been aggressive. Kronenbourg's U.S. marketing arm says it spent close to $5 million on advertising last year, and will spend more in 1982.

The brand has been positioned directly against Heineken, with copy proclaiming: "In Europe, they like Heineken but they love Kronenbourg." Some market observers question the strategy of head-to-head advertising for a brand that isn't yet firmly established.

Witty jingles extolling Kronenbourg are used for spot radio.

While Kronenbourg is pushing hard, the brand is still some distance from Heineken's big market share.

Molson

The number two brand is Canada's best selling brand in the U.S. but remains well behnd Heineken. Figures compiled by LNA/bar show Molson focusing its efforts in spot television outdoor, and magazines. But in 1981, Molson spent less than in the previous year. The decrease came out of the outdoor budget, which dropped from $369,800 to $272,300. Magazines and spot tv remained consistently in the $1.2 million, and $650,000 range, respectively.

Conclusions

Merger efforts and buyout attempts will undoubtedly jostle the industry for the next 18 months. The most recent effort of Stroh Brewing Co. of Detroit, to gain control of Schlitz is typical, and so is Schlitz's effort to block the Stroh offer.

Schlitz went to the U.S. District Court in Madison, Wisc. to block the Stroh move, contending that the Stroh offer "constitutes a fraudulent, deceptive and manipulative device, and contains false and misleading statements and omissions of material facts, all in violation of Federal Securities laws."

Stroh, in turn, says the Schlitz accusations are "without merit" and that its attorney intends to dispute the Schlitz contentions.

Stroh offered to buy two thirds of Schlitz common stock at $15 a share, for a total of $315 million. Stroh planned to use Schlitz funds if the takeover was successful, to acquire the remaining third of common stock.

The Schlitz directors rejected the Stroh bid, with a unanimous rejection. In a letter to their own shareholders, Schlitz executives suggested that it should be Schlitz taking Stroh rather than the other way around.

The Stroh/Schlitz bid and response are symptomatic of the problems that beset the second tier brewers. None of them feel their survival is secure under present market conditions, yet none wish to relinquish corporate identity in a takeover that ensures the survival of another brewer.

Second tier brewers face even stiffer competition this year as Anheuser-Busch rolls out its Budweiser Light, and Miller tests its new super-premium Special Reserve. While Budweiser Light is ostensibly setting out to take share from Miller Lite, if successful, it will take share from regional light brands as well. If Miller rolls out Special Reserve nationally, that will increase the pressure.

As the A-B and Miller dominance grows, new product introductions by second tier brewers will become more risky, leaving them with their established but gradually faltering brands. Thus, mergers will be dictated by worsening marketing conditions.

Fred Gardner

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Observer
News

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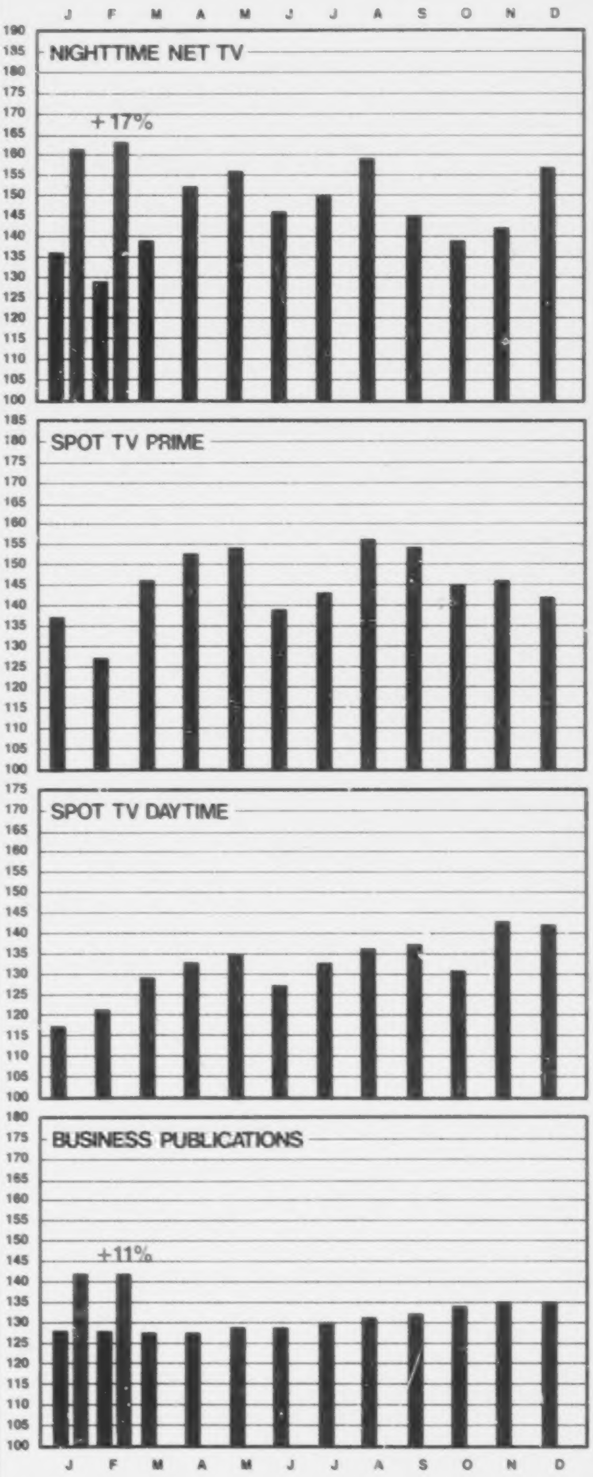
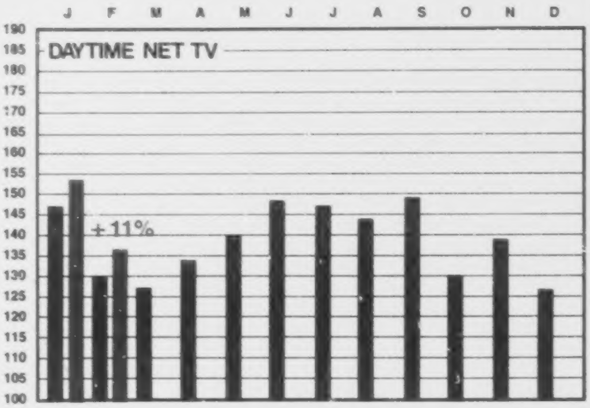
MEDIA COST INDEX

Black bars index for 1981; red bars 1982; base year 1977





As mentioned last month in this column, **recession talk is having no effect on media prices.** They're taking big jumps as the new year rolls out.

Nighttime net tv is 17% ahead and **daytime net tv** 11%, reflecting the dimension of the usual year-end rate hikes — matching an 11% increase in consumer magazines, and for the same reasons. Magazine publishing costs are up in the four "p's": paper, printing, postage and people.

Daily newspapers in January were pricing themselves 13% over January 1981. **Outdoor posters** (reported through March) were up 13% over last year for that month, a bit more over previous year prices than in the first two months of 1982.

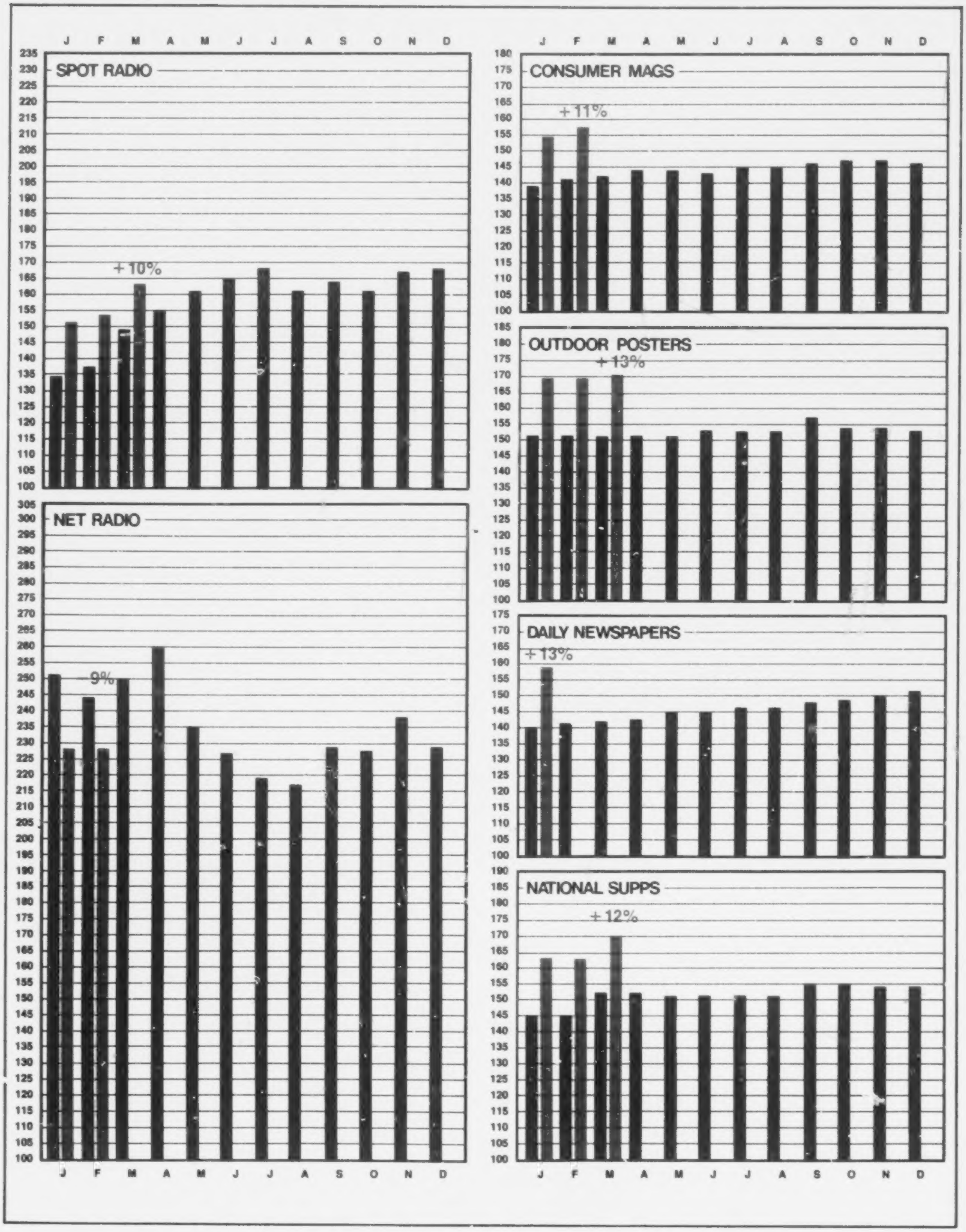
Only radio showed signs of a weakening market position after several years of growth in volume and prices. **Net radio** for February 1982 was priced 9% below the same month in 1981. **Spot radio** was up 10% in price in March according to our present method of estimating. We have hopes of revising the estimating procedure for this medium, however, in the near future; and we will not be surprised if the revision shows more favorable pricing.

Continued on page 168

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m.
Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications.
Outdoor Posters based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



MARKETING &
MEDIA
Decisions

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SPECIAL ISSUE

Apple • Atari • Budweiser
Camel • Honda • Levi's
Lean Cuisine • McDonald's
Merrill Lynch • Mobil
New York Travel
Radio Shack • Softsoap
Sunkist Soda
Tylenol

-1 C2950-3 6/1/82

15 TOP
MARKETING
SUCCESSES
1981

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JOSEPH MCNALLY -281- 1 -BR
CONGRESSIONAL INF SVC
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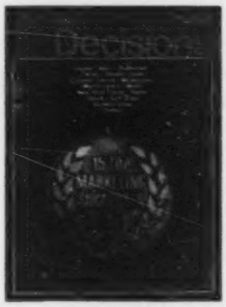

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15 TOP MARKETING SUCCESSES · 1981

Alcoholic beverages • Budweiser
Getting to the top in a fiercely competitive market is difficult enough, but staying there over the long haul is even harder. Anheuser-Busch's Budweiser beer has managed to beat back the Miller challenge.

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Apparel • Levi Strauss & Company
Diversification was the name of the game in 1981 for the west-coast-based apparel giant. Levi Strauss added more stylish clothing lines for men, women and children to its traditional jeans and work clothing.

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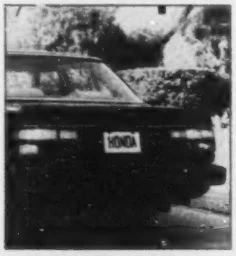

Automotive • Honda Motor Company
Honda's meteoric rise in the import auto market has been fueled by a reputation for reliability and economy. This fall, the battle for market share really gets underway, when Honda begins assembling cars in the U.S.

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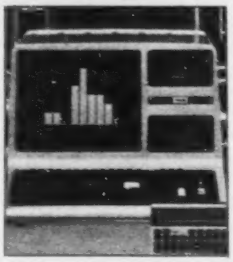

Chains • Radio Shack
The Radio Shack home electronics chain could best be described as Tandy's do-it-yourself division. The company manufactures and distributes most of the products it sells, giving the company marketing autonomy and a huge competitive edge.

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(Continued on page 8)

MARKETING & MEDIA DECISIONS (ISSN0195-4296) SPRING, 1982, Vol. 17, No. 6 **Copyright ©1982.** Decisions Publications Inc. Published fourteen times. Executive, editorial, circulation and advertising offices at 342 Madison Ave., New York, N.Y. 10017 (212) 953-1888. **Available** without charge to those personally involved in media decisions at major agencies and advertiser companies. For others, subscription prices are: U.S.A. $36 for 12 issues. Canada $46. Overseas $48 (surface mail). Airmail — add $48. Single copy $3.00. All overseas copies are paid. Second-class alternative B postage paid at Burlington, Vt. **Postmaster:** Send form 3579 to Marketing & Media Decisions, 342 Madison Ave., New York, N.Y. 10017

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(from 4)

Computers • Apple Computer
In six years, Apple Computer has grown from a small personal computer operation to a $335 million, publicly-held corporation. In 1981, Apple's name awareness increased from 10% to 80%.

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Corporate • Mobil Oil
No corporate or advocacy campaign has generated as much controversy or media coverage as that of Mobil Oil. The campaign, brainchild of vp-public affairs Herb Schmertz, is executed by a team of in-house writers.

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Finance • Merrill Lynch
The stockbroker that brought Wall Street to Main Street is transforming itself into a virtual department store of financial services. Merrill Lynch does it with network tv, national print and newspapers.

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Franchising • McDonald's
McDonald's market domination is awesome: some six percent of all away-from-home meals are consumed under the golden arches. This promises to be the toughest decade yet, but McDonald's is ready.

PAGE **111**

Health & Beauty Aids • Softsoap
Bob Taylor created the market for pump-dispensed sink soap in 1980 with Softsoap, and in 1981 stayed ahead of a pack of formidable, competitive imitators such as Procter & Gamble and Armour-Dial.

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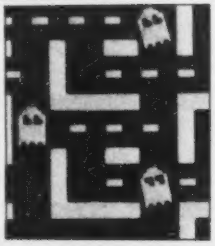

Household appliances • Atari
The company's name comes from a term in the Japanese game "Go." In 1981, Atari did just that, with near total domination of the video game market.

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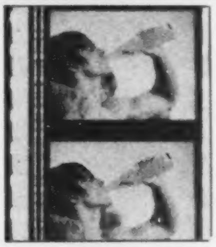

Soft Drinks • Sunkist Orange Soda
Massive consumer recognition of the Sunkist brand name — along with a strong dose of marketing courage — gave General Cinema a big leg up in its orange soda introduction.

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FILET OF FISH FLORENTINE
Lean Cuisine
FILET OF FISH FLORENTINE

Packaged foods • Lean Cuisine
Stouffer's 300-calorie dishes captured 10% of the frozen food entree market last year before the product's national roll-out had been completed.

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EXTRA-STRENGTH
TYLENOL
REGULAR STRENGTH
TYLENOL

Pharmaceuticals • Tylenol
Through steady building of its marketing base, MacNeil Consumer Products has established Tylenol as the generic term for non-aspirin pain relief.

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Tobacco • Camel cigarettes
1981 was a year of furious activity at R. J. Reynolds, where the Camel brand was restaged. The results: 24% growth, compared with a 1% industry average.

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Travel • New York State Travel
Beneath the glitter of "I Love New York" are sales results as solid as bedrock, all due to a blend of creative coups and daring marketing.

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INTRODUCTION

This extra issue of Decisions is, we believe, extra special.

The 15 case histories reported here in depth were picked with the help of our readers as the most outstanding marketing successes of 1981 in the 15 industries that use the heaviest amounts of national media.

Our criterion for success was either a brand or corporation that has increased share of market, successfully introduced a new product, recouped position in spite of tough competition, or succeeded in accomplishing some other marketing objective.

We accept responsibility for the naming of these marketing winners — although our choices are guided by a questionnaire sent to 6,500 readers — and by discussions with securities managers, our own editors and other knowledgeable sources.

The reports were prepared by *Decisions* editors, one former staffer, plus a couple of writer-reporters new to these pages. For the most part, we got unusual cooperation from the winning companies — and where we didn't, our reporters found ways to uncover the marketing and media strategies and tactics in which our interests lie.

Recession talk apparently was no deterrent to the aggressive and entrepreneurial marketing men responsible for activities described in this issue. In some cases, they turned the economic slow-down to their advantage, or moved in where competitors feared to tread. When boom times return, the brands covered in this issue will be so well entrenched that it will cost competitors a pretty penny to catch up with them.

We can't help but ask the question: If in each of 15 businesses at least one advertiser was able to move ahead, can those who didn't blame their poor showing on an economic lull?

The winning marketers are both large and small. Only five are part of organizations in the Fortune 500 list of largest industrial corporations. Included is Mobil Oil, number two on the *Fortune* list. Also among the winners are Honda (relatively small but moving up fast in the automotive market), Softsoap (from Minnetonka Inc., the company that found a way to sell soap that caught Procter & Gamble nap-

INTRODUCTION

ping), Sunkist Growers of California and General Cinema (albeit making good use of a very well-established brand name). Size is not a requisite for marketing success.

Ad budgets varied from $1.5 million to $138 million. Media strategies were diverse, including important use of all major media: magazines, newspapers, tv, radio, outdoor, business press and direct mail.

Packaging was a most significant factor in several instances. The nature of the packages often had a bearing on types of media used. And some of these marketers looked on the package as vital to positioning on shelves in stores, use of the products at home, pricing — as well as positioning the brand as compatible to consumer lifestyles.

Perhaps the most dramatic package "change" was Camel cigarettes' switch back to its original picture of a camel for its Camel Light and filter varieties. The package for Tylenol gets credit for helping separate the product from pain relievers on pharmaceutical shelves also stocking aspirin. The packages for Softsoap and ShowerMate established a whole new category in the health and beauty section of supermarkets.

Full-service ad agencies played a role in the successes of 13 of the brands, but two of our marketers developed plans in-house, and one combined in-house and agency planning.

Three agencies appear in the success stories of more than one brand: Needham, Harper & Steers and D'Arcy MacManus & Masius for Budweiser and Honda; Foote, Cone & Belding for Levi Strauss and Sunkist Orange Soda; Doyle Dane Bernbach for Mobil and Atari.

Other agencies that share a "partnership" role are: Chiat/Day for Apple Computer; Young & Rubicam for Merrill Lynch; Leo Burnett for McDonald's; Creamer for Lean Cuisine; Compton for Tylenol; BBDO for Camel; Wells Rich Greene for New York State travel. Agencies that played a role, but not the dominant one, for the brands covered were: McCann-Erickson and Ketchum.

The two do-it-yourselfers were Radio Shack and Softsoap, with the latter using Cash Plus, Inc., Minneapolis, to handle media buying.

Headquarters of this group of successful marketers are spread across the U.S. Three are in New York City: Mobil, Merrill Lynch and N.Y. State travel.

Four are on the West Coast, all four in California: Levi's in San Francisco, Honda in Gardena, Apple in Cupertino, Atari in Sunnyvale.

Budweiser is St. Louis based, while McDonald's is in Chicago, Radio Shack in Ft. Worth, Sunkist Orange Soda in Atlanta, Ga.

INTRODUCTION

Softsoap is outside Minneapolis in Minnetonka, Minnesota; Lean Cusine is at Stouffer headquarters in Solon, Ohio; Tylenol comes out of McNeil Labs in Ft. Washington, Pa.; Camel is an R. J. Reynolds brand, managed from Winston-Salem, North Carolina.

Categories and brands

CATEGORY	BRAND	HEADQUARTERS	AGENCY
Alcoholic Beverages	Bud	St. Louis	NH&S and D'Arcy
Apparel	Levi's	San Francisco	Foote, Cone & Belding
Automotive	Honda	Gardena, CA	Needham, Harper & Steers
Chains	Radio Shack	Ft. Worth	In-house
Computers	Apple	Cupertino, CA	Chiat/Day
Corporate	Mobil	N.Y. City	Doyle Dane Bernbach
Financial	Merrill Lynch	N.Y. City	Young & Rubicam
Franchising	McDonald's	Chicago	Leo Burnett
Health & Beauty	Softsoap	Minnetonka, MN	In-house
Household Appliances	Atari	Sunnyvale, CA	Doyle Dane Bernbach
Packaged Foods	Lean Cuisine	Solon, OH	Creamer
Pharmaceuticals	Tylenol	Ft. Washington, PA	Compton
Soft Drinks	Sunkist Soda	Atlanta, GA	Foote, Cone & Belding
Tobacco	Camel	Winston-Salem	BBDO & in-house
Travel	N.Y. State	N.Y. City	Wells, Rich, Greene

New products surface as prominent among the brands chosen as marketing successes of 1981. The common thread among the new names is the extent to which they tap consumer desires that had not been previously satisfied. Softsoap, for example, offered a solution to the messiness that can be left behind by traditional bar soap in the bathroom. Atari took the lure of electronic games out of the penny arcade and delivered it to grown-ups and families at home. Lean Cuisine put diet meals right into the frozen food cabinet in supermarkets. Sunkist Orange Soda found a gap to fill in the soft drink market.

The men and women who developed these products did their homework diligently before taking the plunge: they studied the gaps they intended to fill very carefully, developed clear profiles of the markets in which they saw opportunities, then advertised and promoted very directly to those target markets.

Several old names were nominated as being especially successful in 1981. These are companies that have been able to change with the times — and more than meet new competition head-on. Budweiser, Levi Strauss, Merrill Lynch, McDonald's, Camel are some of the prime examples.

Some of the old pros found new opportunities by diversifying. Levi Strauss has diversified its business along market lines, finding its biggest potential in women's wear, while still maintaining its image for tough, straight-legged jeanswear for working men and women. Merrill Lynch has become a financial supermarket, using tv to spread its image far and wide, and print ads to target specific financial products to very specialized audiences. Minnetonka Labs had no sooner got its soap dispenser firmly established at the bathroom sink than it moved into the shower with Shower-Mate. Camel added Camel Lights, Camel Kings, Camel 100's and Camel Filters.

Spin-offs of existing product lines are noticeable in these successes, including several of the brands mentioned above.

Anheuser-Busch waited to spin-off a Bud Light until 1981. The company felt the competition from Miller Lite, noted the poor performance of several other light entries (Schlitz was a notable example), and then successfully rolled out its Light.

Apple Computer had trouble with its Apple III personal computer, pulled it off the market, then came back strong with an improved product and head-on advertising and marketing strategies.

Sunkist Orange Soda is obviously trading on the years and years of advertising of Sunkist fresh fruits. Lean Cuisine entered the market as an extension of the Stouffer line of frozen food entrees. Tylenol rolled out Extra Strength and Children's variations of its Regular Tylenol in several different sizes.

Corporate image is affected by the way each of these companies advertise, but most are product advertising programs — and the objective in almost every case is to sell goods and services. The exception is Mobil, which has become a presenter of paid editorials — with what amounts to an editorial page staff reporting to Herb Schmertz, vp-public relations.

Merrill Lynch is mindful of the extent to which its symbolic bull overlays the product advertising of its divisions — even its real estate business. The Levi's brand name has been put on some divisional lines, not on

INTRODUCTION

others. Honda has avoided diversification — staying with three cars, all under the Honda banner.

Decision makers behind each brand are entrepreneurial marketing pros. In each case several people in the company and in the advertising agencies used were instrumental in their success. The top-line names are Mike Roarty, Hal Spielberg, Cliff Schmeillen, Bernard Appel, Steve Jobs, Herb Schmertz, Jim Walsh, Fred Turner, Bob Taylor, Ray Kassar, Barbara Krouse, Joe Cheisa, Mark Stevens, John Shostack, Natel Matschulat.

Media allocations of the success marketers of 1981 were approximately as follows — based on LNA/BAR, Media Records, RER reports, and information added by *Decisions* researchers. Not included are some important investments in direct mail, co-op and business publications because of lack of uniformity in expenditure reports. These are reasonable estimates of major consumer media budget breaks in 1981.

	Magazines & supps	Newspapers	Net tv	Spot tv	Radio	Outdoor
Bud	2%	1%	41%	17%	36%	3%
Levi's	14	3	37	20	25	1
Honda	32	15	36	17	—	—
Radio Shack	8	—	89	3	—	—
Apple	45	3	7	27	18	—
Mobil	25	35	—	39	—	1
Merrill Lynch	17	—	80	3	—	—
McDonald's	—	—	86	—	8	6
Softsoap	3	—	76	9	—	12
Atari	12	5	68	13	2	—
Lean Cuisine	12	20	—	68	—	—
Tylenol	7	—	88	5	—	—
Sunkist Soda	—	1	9	89	—	1
Camel	26	43	—	—	—	31
N.Y. Travel	13	9	7	65	6	—

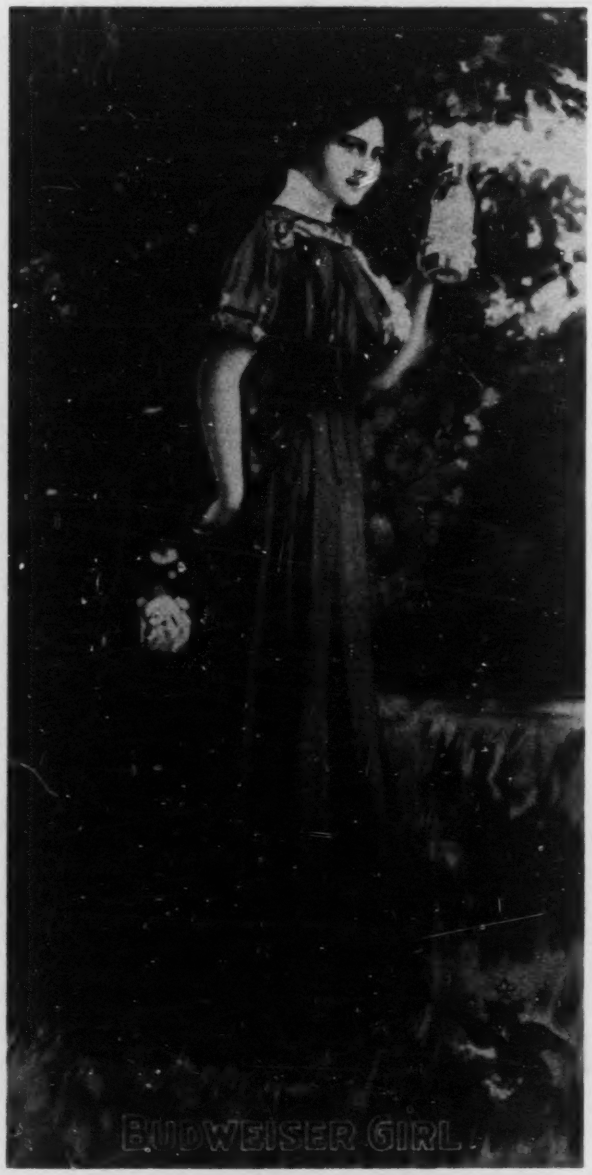
Most outstanding factor in budgeting practice of this group is extent of variation. Although tv dominates many budgets, print media get majority of dollars in three cases. Outdoor is very big in one instance. Newspapers is largest medium for two advertisers (and this tabulation does not take into account extent of newspapers in co-op budgets). Radio got 6% or more of dollars in five budgets.

ALCOHOLIC BEVERAGES

15 TOP MARKETING SUCCESSES 1981

Budweiser's "must win" attitude

"They're smart. They do good planning. More significantly, their attitude is that they're going to win." That's how an industry consultant sums up the phenomenal ability of Budweiser to stay on top in a fiercely competitive marketplace. Add to that $82 million in major media.



BUD

Mike Roarty, director marketing, Anheuser-Busch

Needham Harper & Steers

Budweiser, the flagship brand of beer baron August A. Busch III, celebrates its centennial birthday this year.

Positioned by Anheuser-Busch as "the king of beers," the first beer to become a national brand has plenty to be pleased about. Even if it weren't a 100th anniversary, the brand would have one of the most phenomenal share growth records in any industry to celebrate.

Getting to the top in a competitive package goods market is a difficult matter — ask any company that's done it. Staying there over a period of time is even harder. Just ask R. J. Reynolds about Winston, and Philip Morris about Marlboro cigarettes (but not about Miller beer). Continuing to build share and dominance over a category from the share leadership position is little short of astonishing.

And that's what Anheuser-Busch has done with Budweiser in a fiercely competitive product category. As recently as 1975, Miller Brewing was publicly announcing its goal of supplanting Budweiser with Miller High Life as brand share leader. But since then the gap has widened rather than narrowed in spite of massive advertising expenditures and a successful repositioning of High Life as a blue collar brew.

The figures compiled by *Impact*, Marvin Shanken's spirits industry newsletter, documents the performance. A strike in 1976 put a crimp in A-B's barrelage, but otherwise it was a period of unparalleled expansion. In 1977, Budweiser had a 15.7% share of the U.S. beer market, with 25.4 million barrels brewed.

In 1978, the share edged up to 16.1% with 27.2 million barrels. The share climbed to 17.3% in 1979 with 30 million barrels brewed, and in 1980, marched ahead again to 19.1% with 34 million barrels. Share and barrelage for 1981 are estimated at 19.5% with 36 million barrels.

Budweiser also showed remarkable strength in its first two years as a licensed brew in Canada, achieving a 5.7% share. Observers indicated the norm for a new domestic brand in Canada would be in the 2% share range.

Emanuel Goldman, securities analyst at Sandford C. Bernstein & Co., places Budweiser's output in 1981 at 38.2 million barrels, two million higher than *Impact's* estimate, and also credits the company with solid management acumen. With the threat from Philip Morris' Miller, Goldman said, "Anheuser was forced to become a better company. Nobody is going to knock them out of the box."

Robert S. Weinberg, an industry consultant and one time A-B executive remarked, "They're smart. They do good planning. More significantly, their attitude is that they are going to win."

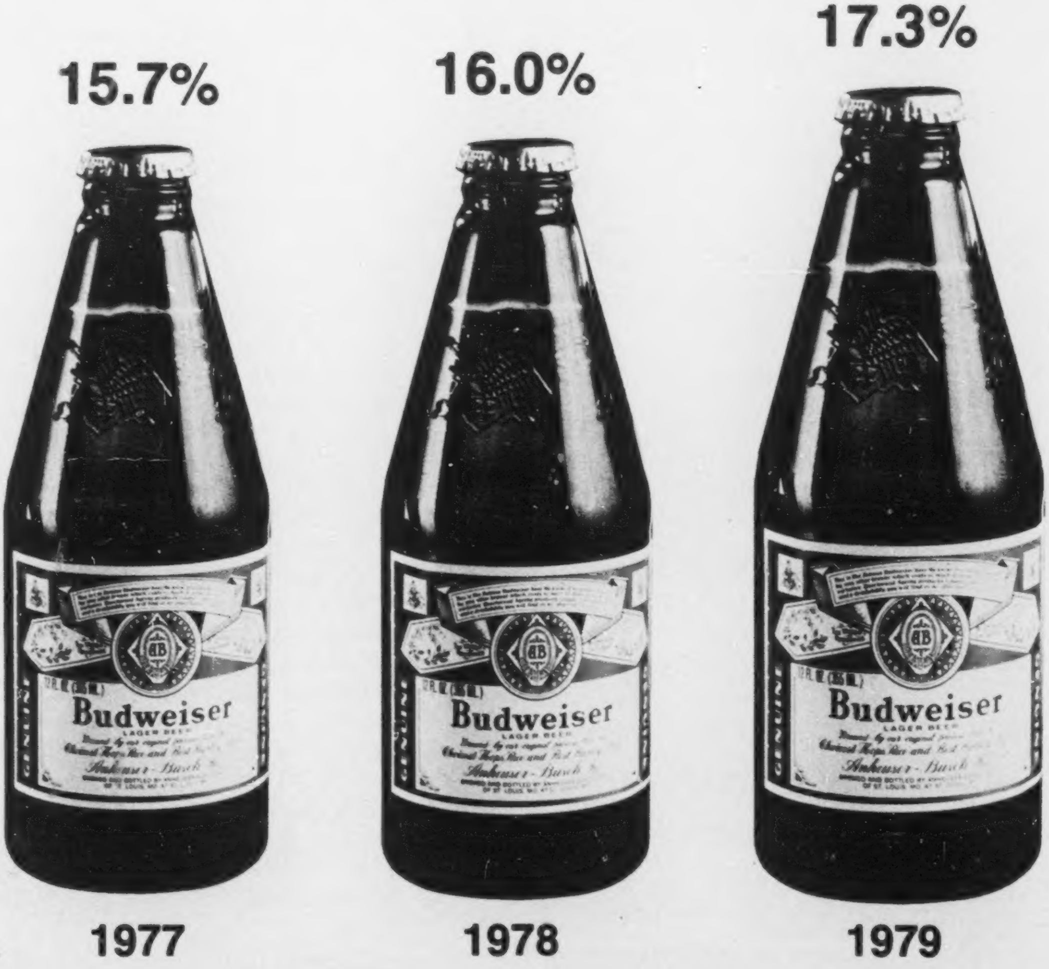
To build this dramatic growth performance, Budweiser had to maintain penetration in strong markets while building awareness and sales in areas where other national or local brands were dominant. That meant taking sales away from Coors in the Northwest, and from the ailing but still formidable Schlitz in the South and Southwest.

When asked to what he attributes the strength and long-term leadership of the brand, president and ceo August Busch III replied tersely, "quality."

But there's much more to the success story than that.

Budweiser has run up a number of firsts in advertising, making impressive early use of outdoor advertising, and a neon spectacular, which depicted the A-B eagle in flight, above Manhattan's Times Square.

Budweiser share of U.S. beer sales



Sources:
Impact newsletter,
Decisions estimates.

In 1950, Budweiser became the first beer to sponsor a network program in a then-fledgling medium, television. Budweiser put the *Ken Murray Variety Show* on the then-51-station CBS network. The result was a rate of sales growth for the brand where the show aired double that of markets where it wasn't seen.

And on the other side of the coin, Budweiser was one of the first advertisers to study the effect of advertising saturation, to discover at what point additional advertising has a negative, rather than positive effect on sales.

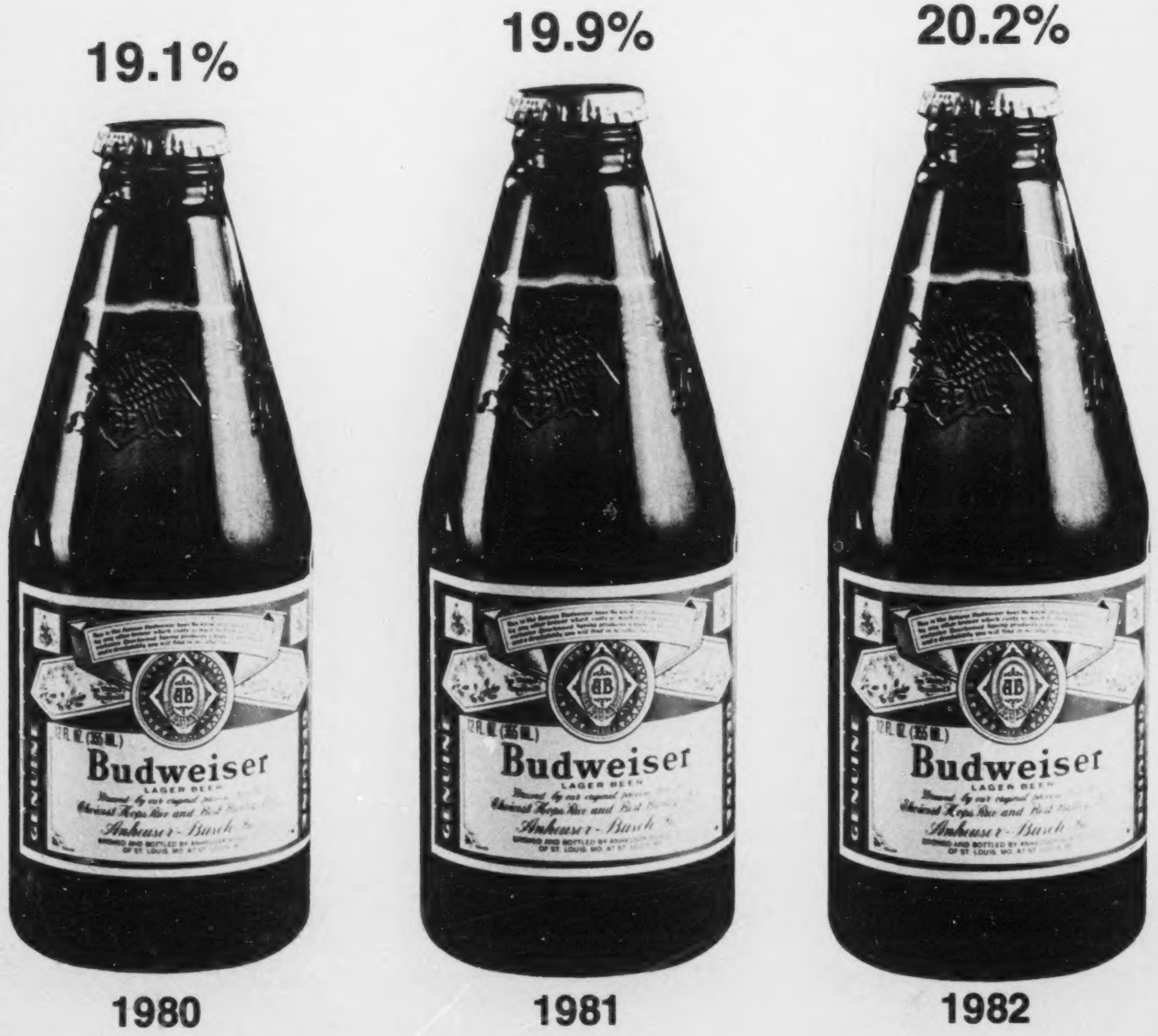
Budweiser was also in the forefront of promotional activity, which made the brand label a work of pop art for framing, covering books, decorating swimming pool floors and sailboat spinnakers, to extend brand and trade mark recognition well beyond the media and the store shelf.

With all this marketing and promotional activity, Budweiser has managed to keep its momentum without the usual recourse of companies seeking to extend their brand franchise, the brand spin-off. While Miller Lite did open a new beer category and expand Miller's market, others who entered light beer spin-offs didn't do so well. Schlitz had a disastrous experience — within a few years the brand nearly disappeared from the marketplace.

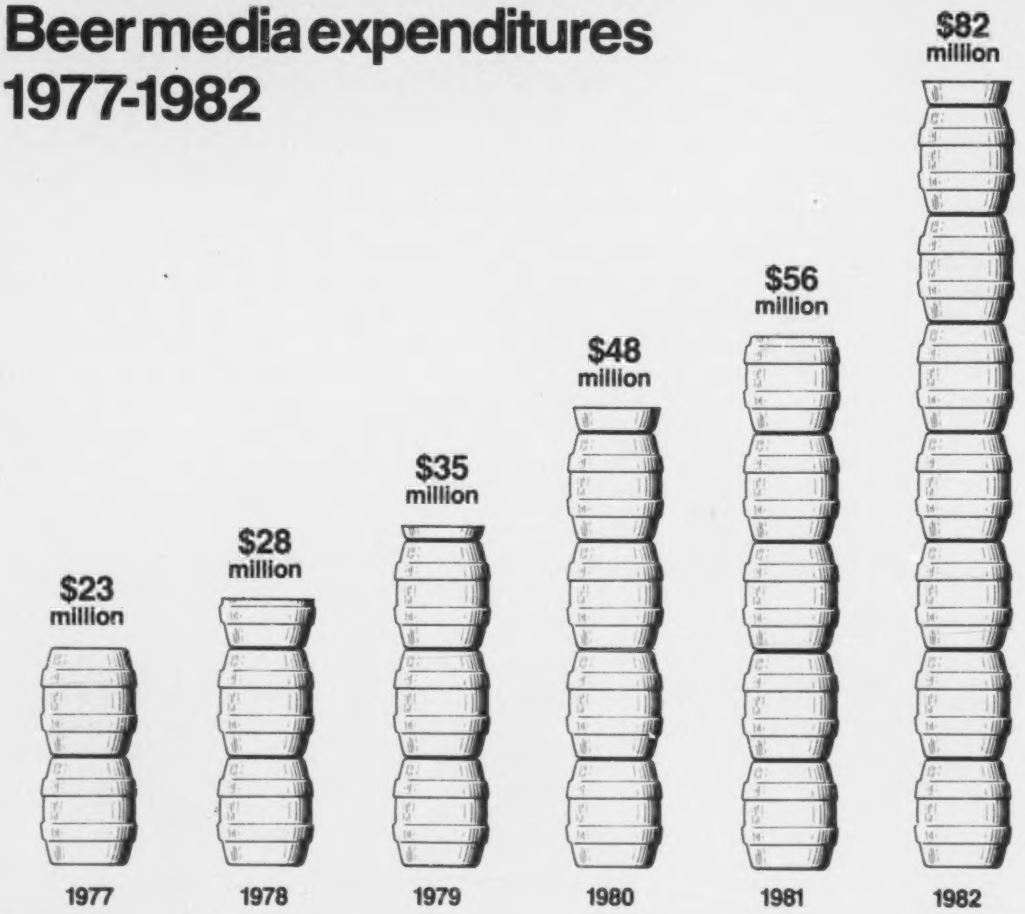
But in 1981, after considerable thought and preparation, A-B did venture in that direction with test market trials for Budweiser Light. A-B evaluated the results and began a national rollout in March, which is expected to be complete by the end of June. The third light beer from A-B is priced between the premium Michelob, and the popular-priced Natural Light.

Budweiser Light's roll-out is getting the usual lavish creative and media treatment in advertising, adding to A-B's spending dominance in the category.

Some observers may contend that Budweiser has spent its way to the top. In 1980, Budweiser dominated beer advertising with an eight media total of



Beer media expenditures 1977-1982



Sources: LNA/BAR; RER; Media Records; Decisions estimates.

$48,932,000, as measured by Leading National Advertisers, Media Records and Radio Expenditure Reports. Miller, in second place in market share and media expenditures, spent $42,774,000, according to the same sources.

Budweiser and Miller have used similar strategies in media and creative. Both are heavy users of network television, particularly in sports. There is hardly a play-off game in any national sport in which both brands don't have a strong presence in television and radio play-by-play coverage.

Creatively, both appeal strongly to a blue collar audience — Budweiser declaring "This Bud's for you," while Miller extolls the after-work break that it calls "Miller Time."

When Budweiser came up with the "For all you do, this Bud's for you" campaign in 1979, High Life was apparently gaining in momentum and in a position to co-opt the blue collar psychographic. Miller was positioned to establish itself as the beer that working blokes invariably turn to after a tough, sweaty day on the docks, in the commercial fishing boat or in the iron foundry.

But Budweiser broadened its theme to include a wide variety of working lifestyles, such as commercial artists, disc jockeys, ski instructors and helicopter pilots.

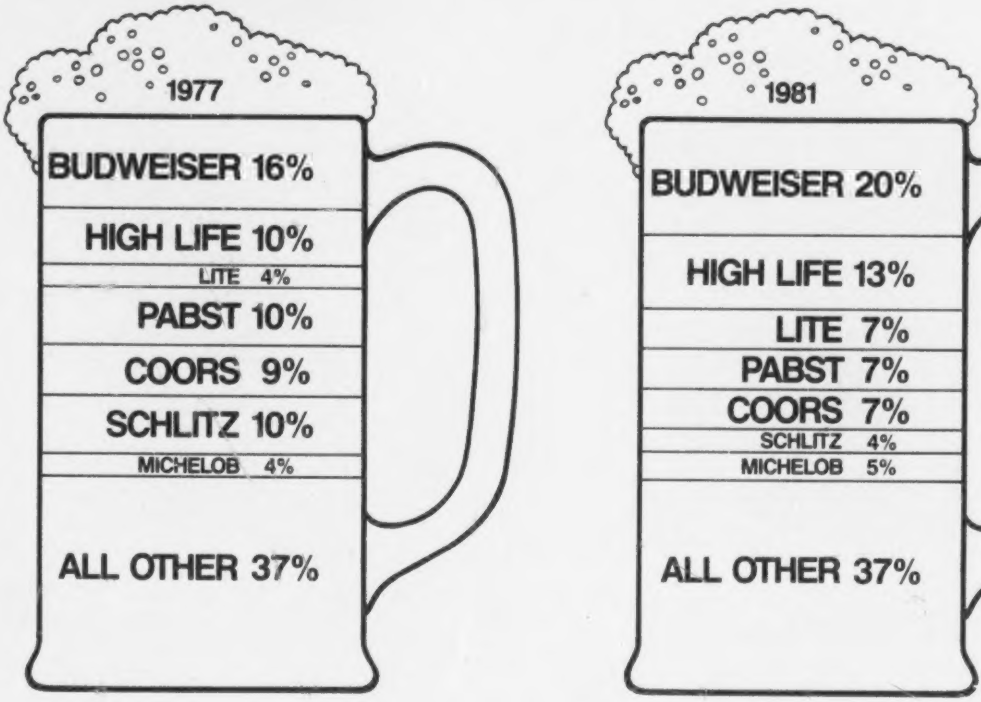
From that point on Budweiser was unstoppable. Sales momentum expanded vastly in 1979 and 1980, slipping slightly in 1981, but still building share. Apparently the campaign — with a quality product to rest upon — had the desired effect. Budweiser was able to reposition itself as just as much a blue collar brew as High Life, without limiting itself to that demographic marketing definition. The campaign proved to be mass marketing at its best.

Association with professional sports events also played a large role in snowballing the Budweiser marketing magic. Hardly a sporting event went by on radio or television without a Budweiser commercial, while lesser brands scrambled for adjacencies.

It is against this successful background that Budweiser is making its next move in the fastest growing segment of the brewing business.

The major marketing effort this year at Anheuser Busch will be the national roll-out of Budweiser Light. The nation's largest brewery has been hesitant to commit the Budweiser name to a product with an uncertain chance for

Market share of leading brands 1977 vs. 1981



Source: "Impact" data bank

success. And the light beer segment has had its casualties. Miller grabbed off most of the category sales, and A-B's two current light entries, Natural and Michelob Light, hold 17% of the light category, a distant second to Light from Miller, with 60%.

Budweiser Light has been in test in nine metro areas since May 1981. The testing areas provided a southwestern measure of response to the new product and included Charlotte, N.C., Mobile-Pensacola; Little Rock; Dallas-Fort Worth; San Antonio; Waco; Amarillo; Tucson; and Omaha.

Said chairman August A. Busch III, when announcing the national roll-out; "The test market results convinced us that Anheuser-Busch can capture a much larger share of the light beer market with Budweiser Light, with business coming from competition, not the company's existing product line."

He also noted that the light beer category is the industry's fastest growing segment, with sales increasing almost 14% in 1981. Additionally, four currently available brands represent about 88% of all sales. The criterion for buying a light beer, he believes, is taste.

"All of these considerations make us confident of the potential for Budweiser Light," he said.

The theme for the Budweiser Light advertising campaign is "Bring out your best," which A-B thinks will work as a challenge to consumers as well as a statement about the product. Busch claims that — just as light beer drinkers strive to bring out the best in themselves in whatever they do — Anhueser-Busch is bringing out the best tasting premium light beer of them all.

Introductory tv spots featured a single Clydesdale horse running free, symbolic of the origin and heritage of the brand. Later executions will depict competitive situations in popular sports. In later sustaining executions, the solo Clydesdale will be used as a reminder symbol. The campaign was created by Needham, Harper & Steers, Chicago.

Budweiser Light contains 108 calòries per 12-ounce serving, about one third less calories than regular Budweiser.

In packaging, the familiar regular Budweiser graphics have been adapted; the name is set in dark blue and contrasts against a silver lustre background.

The question is: will Budweiser Light win drinkers away from Miller and Coors? The demographics show reason for optimism: light beer drinkers tend to fall into the 25 to 49 year age range, the fastest growing popula-

Early in tv, Budweiser sponsored *Ken Murray Variety Hour,* complete with giant bottle of beer. Today's tv counterpart is heavy spending on sports. Television has been base medium, however, for a lot of years.

tion segment. Moreover, the light beer drinker is more likely to be white collar and have more formal education than his or her regular beer counterpart. Men account for 70% of light beer sales volume, but women represent 50% of the segment's drinkers numerically — consuming 30% of the total volume. The question: how to get women to have more than one or two beers?

Research also shows light beer drinkers are much less likely to be black, but just as likely to be hispanic as their regular beer counterparts.

Light beers are expected to show strong growth through the 1980s, and should grow at an average rate of 10% during the first half of this decade.

The schedule includes introduction of Budweiser Light in 37 states, primarily in the North and Southeast, by the end of March, with national distribution nominally expected by the end of June, but possibly later. The balance of the country will be added, according to Busch, "as soon as man-

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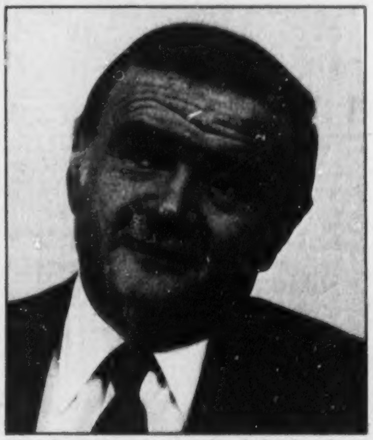
PLAYBOY INDUSTRY VIEW: MICHAEL J. ROARTY

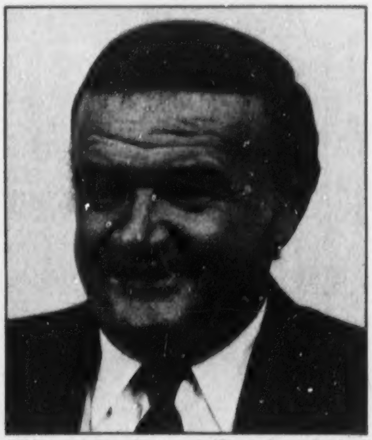
comments on marketing beer, from the v.p. of marketing, anheuser-busch, inc.

PHOTOGRAPHY BY JAMES VISSER

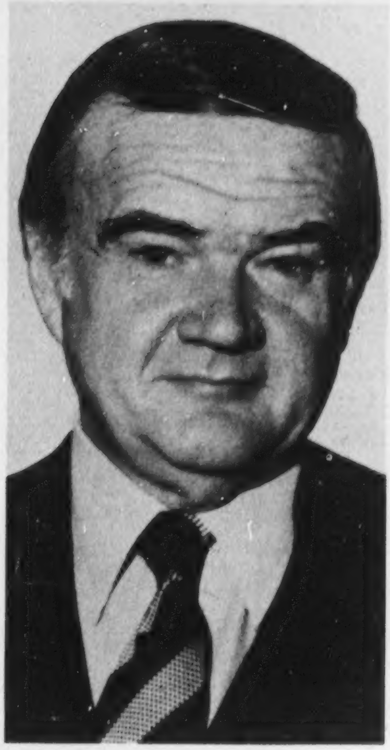
"In beer marketing, the name of the game is reaching the male consumer. Seventy percent of all beer is consumed by about 20 percent of the population, and it's male dominated."



"Product segmentation has helped us keep, and build, the lead we've enjoyed for more than 25 years. Certain magazines can play a key role when you have five nationally marketed brands."



"We practice what we call 'total marketing.' That includes advertising, merchandising, sales promotion, field sales and much emphasis on 'grass roots' presence in local markets."



Mike Roarty, director of marketing, Anheuser Busch

Charles Fruit, vp-media coordination, Anheuser Busch

PLAYBOY: When it comes to marketing beer, PLAYBOY *is* the market. Twenty-seven percent of all men who drink domestic beer read PLAYBOY. That's more coverage of the primary male market than you get in Time, Newsweek, Sports Illustrated or any magazine edited primarily for men.

PLAYBOY reaches men when they're relaxed and thinking about life's pleasures. And PLAYBOY works beyond the pages of the magazine to help you build a "grass roots" presence, with merchandising programs, sales promotions and marketing to young adults.

In fact, PLAYBOY dominates nearly every male-dominated market. When it comes to reaching men, the name of the game is PLAYBOY.

The Playboy reader. His lust is for life.

Source: MRI, Fall 1981. © 1982 by Playboy.

power, brewing capacity and media efficiency permit.''

With the addition of Budweiser Light, the brand will amass enormous advertising expenditures. In media measured by Leading National Advertisers, the Budweiser name will annually account for about $60 million, and when spot radio, newspapers, cable, point of purchase and promotion are added, the total will go well over $100 million.

Media strategy for Budweiser in recent years has emphasized a media mix, which runs contrary to general industry practices. The choice of a mix can partially be attributed to sufficient media funds, a luxury some brewers can't afford, but also to choice in how to allocate funds strategically to dominate the media used by beer drinkers.

Naturally, Budweiser has had a strong commitment to network television, spending about 51% of funds in that medium last year. About 26% was spent in spot television, 10% in spot radio, 6% in network radio, 4% in outdoor and about 2% in magazines. The traditional approach has been to cluster buying power in network and spot television, while neglecting most other media except spot radio.

In September of 1978, when Anheuser-Busch director of marketing Michael J. Roarty was *Decisions'* Guest Editor, he discussed the brewer's decision to expand brewing capacity and how that would affect marketing. A capacity of 51 million gallons was planned for 1981, which is now being expanded to 60 million barrels. Said Roarty in 1978: ''To sell that volume we are in the process of effecting the most aggressive and comprehensive marketing program in the history of the industry.

''To implement this marketing program the company retained its traditional brand manager approach, but developed its in-house beer marketing skills with the talents of new people brought in from packaged goods advertisers in other markets.''

Roarty further explained: ''Media purchases are one of the most important parts of the marketing mix, and usually the largest part of our marketing expenditures. Therefore, Anhueser-Busch prepares very detailed plans for media use and is constantly evaluating strategies in this area.''

Today, Roarty believes it was precisely this approach that is responsible for the unparalleled expansion of sales since 1978. Specifically, he says, ''It is a combination of the new creative, 'This Bud's for you,' and our new products. The creative concept, combined with our strong emphasis on sports, on tv, and radio in our grass roots approach in local sports, have been responsible for the continued growth of Budweiser.''

As for the importance of any one medium, he says, ''Television has been very prominent in this period.''

The growth of the brand, he says, has been most phenomenal in the Far West and the East. Back at the start of 1978, he said that A-B corporate sales in California accounted for about 21% of the market. By the start of 1982, the share had climbed to 46%. Budweiser, he adds, is mostly responsible for that remarkable spurt of growth.

A-B's share in the metro New York market stood at about 17% in 1978, and climbed to 35% by the start of 1982 — again, mostly accounted for by the sales growth of Budweiser.

Budweiser
LIGHT
BEER

On car cards and outdoor, famous Clydesdale horses are now symbolized by a horse running free.

In the West, the principal loser in sales to Bud was Coors, Roarty says, and in New York, Schlitz and Schaeffer.

With the expanded emphasis on local sports, more money was placed in spot television, but it wasn't a desire to use spot, *per se,* Charles Fruit, vp-media coordinator, explains. In 1981-1982, Budweiser added six local sports sponsorships, including the New York Yankees, the Knicks and the Rangers, in the metro area.

With a powerful performance from its creative, provided by D'Arcy MacManus & Masius, Roarty says the brand is continuing with its "This Bud's for you" theme. "We like that theme and we think there's a lot of room for expansion with it" he says.

Sales growth in 1982 will be in the 8% to 9% range for Budweiser.

The projections for Budweiser Light are, by comparison, restrained. "We won't overwhelm the market in the first year," he says. "This is a long-term program; we're not wild-eyed and hopeful, but we think we are in a good position." While Roarty won't put a numerical value on those expectations, he says A-B expects the brand to do as well nationally as it did in test market.

Roarty says the company is pleased with the new campaign for Budweiser Light, and credits Needham, Harper & Steers creative director David Lamb and Chicago office president Keith Reinhard with developing the execution.

In addition to being in broadcast media, the brand will also be seen on cable, on ESPN and on Black Entertainment Television, with which A-B recently signed a multi-year, multi-million dollar contract. The decision to develop a strong involvement in cable is both for the present and future. Charles Fruit commented, "We're positioning ourselves to be there when cable really blooms."

Fred Gardner

Seagram's VO

It's in VOGUE®
The book women live by.

The cowboy who became a lady

Target market for Levi Strauss has broadened out considerably in the last few years from cowboy style jeans and work clothes to more stylish apparel for men, women and children. In order to manage this expansion, the company restructured itself along market lines. Its use of advertising has also become diversified as explained in this interview with Hal Spielberg. Ad investments worldwide: $80,000,000.

LEVI'S

Hal Spielberg, vp-USA marketing

Foote Cone & Belding/Honig
McCann-Erickson
Ketchum San Francisco

Levi Strauss & Company has in the last few years without much fan fare become the genial giant of the apparel business. It still hasn't shed its macho cowboy image in jeans wear, but in 1980-81 Levi's diversification became the talk of the trade.

It moved up in net sales from $432 million in 1971 to what looks like a $3 billion year in 1982. Although it has effectively automated its manufacturing, distribution and data processing arms, number of employees has moved up from 21,400 in 1971 to close to 50,000. Advertising expenditures in the U.S. have grown to over $60 mil-

Harold G. Spielberg came to Levi Strauss USA as vice-president-marketing in July 1980.

He is responsible for the apparel maker's domestic advertising and sales promotion programs and advertising agency relationships for multi-divisional projects. He also provides counsel on significant consumer marketing issues.

Hal was vice president-general manager of Colony Wine Company from 1977 to 1980 and a member of the board of directors of United Vintners, its parent company. From 1972 to 1977 he was executive vice president-marketing with the Gillette company in Mexico.

He has a master's degree in business from Ohio State University. He and his wife and children live in Walnut Creek, California.

lion in 1982. Total advertising investments worldwide now run over $80 million a year.

A sprawling complex of office buildings to house Levi Stauss headquarters has just been completed at Two Embarcadero Center in downtown San Francisco. Levi Plaza stamps the company as one of the truly dominant industries on the West Coast. Perhaps prophetically, Levi's new "Working Man" tv commercial shows a powerful giant pounding the company logo into American-made products. The commercial reaffirms that the Levi giant is dedicated to serving the working man — as well as woman — with such sturdy apparel as its famous jeans.

The makers of Levi's keep a relatively low profile. They discourage their advertising agencies from talking to the press. But Hal Spielberg, vp-USA marketing, agreed to answer the questions about marketing organization and operations that follow.

Decisions: Levi Strauss & Co. by the mid 1970's had decided to launch an extensive expansion program, adding to but still maintaining its reputation as manufacturer of quality work clothes for American men. How is the company organized to manage its expanded activities in 1982?

Hal Spielberg: Levi's marketing in the United States is organized by division. Our Jeanswear, Womenwear, Menswear and Youthwear divisions each have a marketing services director. He has, reporting to him, an advertising manager and marketing research manager.

The marketing divisions each have their own national sales manager.

These divisions are positioned within two groups. Group One includes Jeanswear, Menswear, Activewear, Resistol Hats, Accessories. Group Two embraces Womenswear, Youthwear and Koret of North America. (See box on page 36 for further detail)

Decisions: What are the channels of distribution?

Spielberg: The company's major channels are department stores, pants stores, specialty stores and two national store chains.

Decisions: Who are the key decision makers for marketing?

Spielberg: Each division has its own advertising and promotional programs. The director of marketing services approves the divisions' advertising and promotional programs.

Decisions: What marketing support services exist within Levi Strauss & Co.?

Spielberg: USA Marketing is responsible for advertising and promotional programs of all divisions and pan-divisional activities. For example, we have a major promotional investment in the 1984 Olympics that crosses divisional lines.

We also oversee the company's relationships with three advertising agencies: Foote Cone & Belding/Honig, which handles most of the divisional and corporate advertising campaigns; McCann-Erickson, which handles Activewear; Botsford Ketchum on Koret. All of them are located in San Francisco.

The Fabric and Product Reseach & Development operation is in Greensboro, N.C. It services all of our domestic divisions and reports to USA Marketing. The R&D unit is marketing oriented. It focuses on developing apparel to suit the consumer's wants and needs.

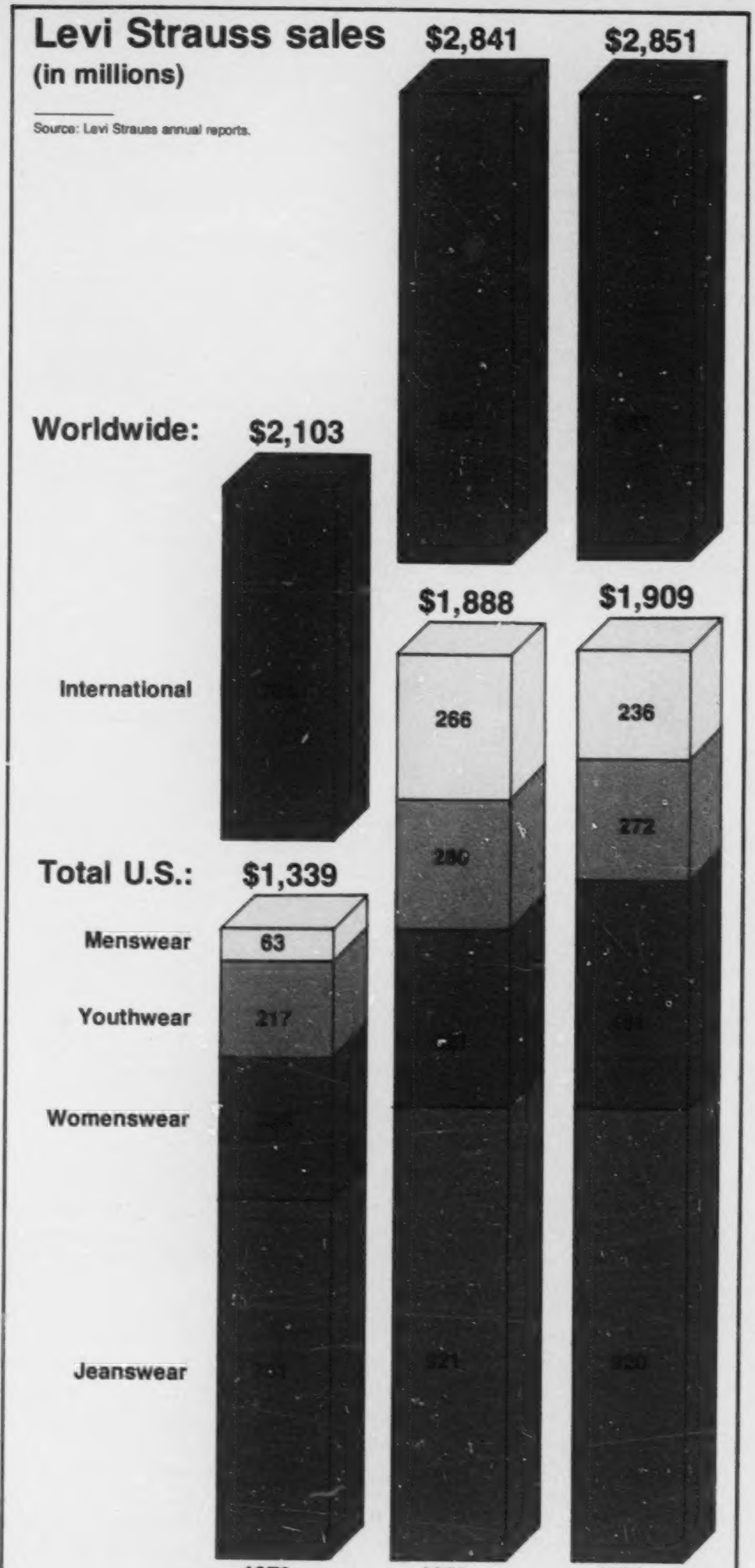
Product publicity and public relations support is provided by the corporation's communications department.

Corporate Marketing Research handles multi-divisional projects — like monitoring consumer purchases, initiating brand tracking studies, conducting advertising research in conjunction with each division.

We do not have a centralized sales promotion group. This is all done by our divisional people or by USA Marketing for promotions that span several divisions. The advertising agencies help in the execution of all of these programs.

The three full-service advertising agencies are most important in all of this work. They help us execute all promotional programs, create point-of-sale materials, posters, etc.

At the agencies, senior executives are in charge. At Foote Cone & Belding/Honig, for example, the key person responsible for our account is a



Levi Strauss sales (in millions)

Source: Levi Strauss annual reports.

senior vice president and group management supervisor. Account supervisors handle the activities of each of the divisions.

Decisions: What are the target markets?

Spielberg: Men, women and children ranging in age from 4 to 60 all use Levi Strauss products. Although the best known product is the Levi's denim jean, a broad diversification effort has been ongoing the past few years. The Levi's label is now found on apparel to suit almost any lifestyle.

Denim and corduroy jeans for men, women and children are aimed at people who enjoy casual lifestyles.

Professional men are the target au-

The many markets of Levi Strauss

The Jeanswear Division markets the original bread-and-butter product, regular jeans. It is the largest and most profitable division — straight leg, functional Levi's which are so well known around the world that the company has to constantly remind people the name is trade-marked — not a generic word. Levi's went along with the craze for fashion jeans that became a fad in the late 1970's (See *Decisions,* September 1979, page 68, "Fancy Pants"). But it chose to keep its distance from skin tight, form-fitting women's jeans. Levi's competed with the likes of Jordache, Sasson and Calvin Klein by emphasizing that its products continued to be straight-legged. This division also expanded into western-wear pants, vests, blazers and shirts — and gave both men and women the option of stretch fabrics in its jeans lines.

The Youthwear Division specializes in all product categories, scaled down to fit teen-aged girls, junior boys and toddlers.

The Resistol Division was developed at Levi Strauss after it acquired Koracorp Industries, the world's largest source of brand-name western and dress hats. The brand name Resistol was retained on the western hats, with demand virtually exploding in the 1980's — to such a degree that a new $4.2 million plant in Weslaco, Texas, to make straw models was authorized. Resistol experienced additional sales gains in 1981.

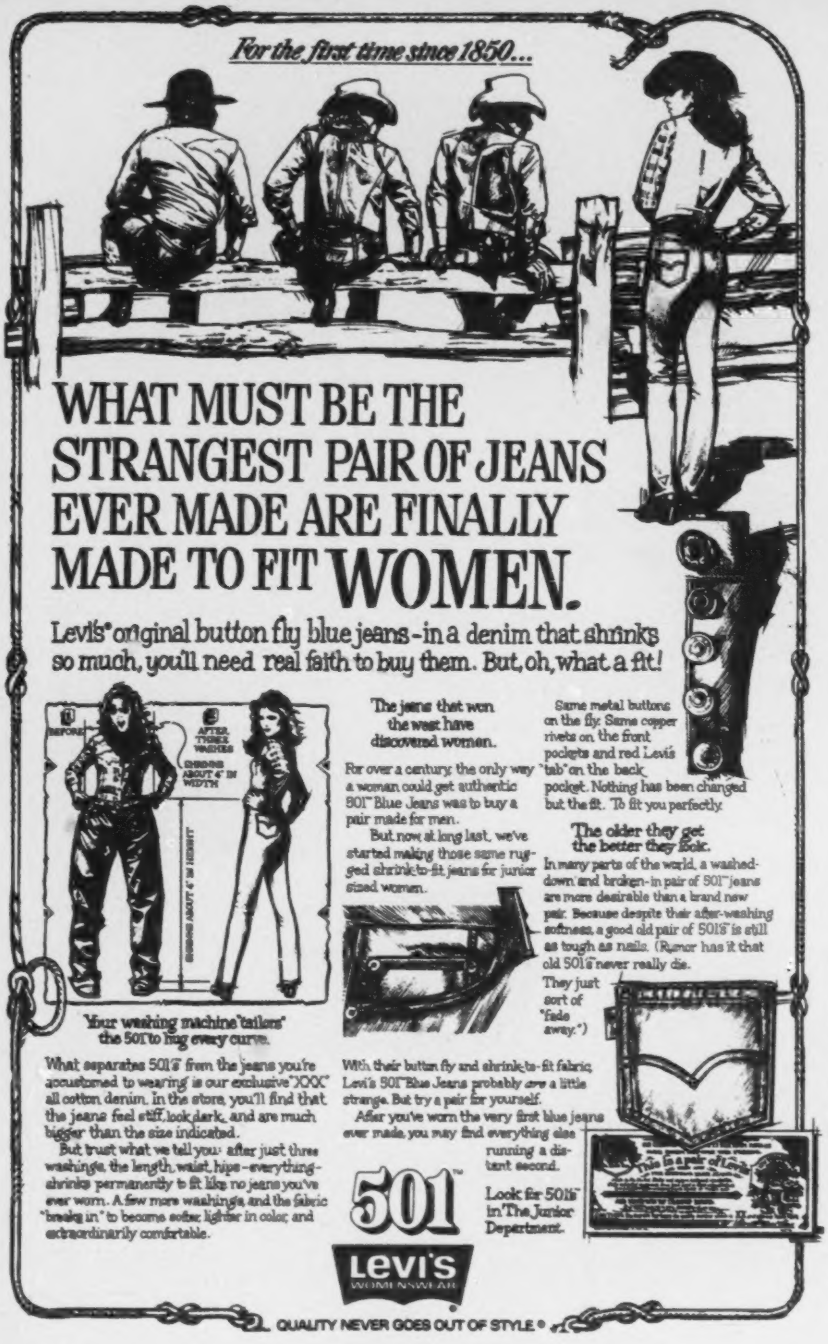
Koret of North America also became a division through the Koracorp Industries acquisition. This division makes moderately priced women's skirts, blouses, sweaters, jackets. It includes a separate line for large sizes.

The Womenswear Division distributes women's jeans — plus slacks, skirts, blouses, and dresses in four markets that Levi Strauss finds have unique requirements: juniors, misses, young misses and large sizes. Growth in recent years has been most explosive in women's wear, a total market place more than twice the size of men's clothing, Levi's traditional bailiwick. Womenswear sales climbed 14% in 1981 to a total of $481 million. A new product introduced in 1981 was the women's 501 line, a denim jean retaining features of the men's line but constructed to fit women.

The Menswear Division embraces both sportswear and more formal attire. It has had considerable success with an action line of tailored-for-men slacks, jackets and suits cut from stretch-type fabrics. The slacks were first introduced in 1979; a Tailored Classics line of suit separates was introduced in the fall of 1981. Included are machine-washable garments. Also added through acquisition in 1981 was Santon's, a sport and suit coat contractor.

The Activewear Division was added in 1979 to carry Levi Strauss into the markets for sports participation attire — skiing, racquetball, jogging, other active outerwear. It added a new avenue of distribution for the company, sporting goods outlets. But in 1980 it suffered from cancellation of U.S. participation in the Moscow Olympic Games. Promotion of the new line had been planned around the Olympics, and that had to be reoriented to local Olympic-caliber sports in the United States. Levi Strauss has stayed with its support of the U.S. Olympics, with a renewal of extra promotional activity this year and into 1983 and 1984.

The Accessories Division is another expansion market, including women's and men's belts, wallets, casual hats, gloves. Some of these are still in the test marketing stage, but an extensive line of belt styles (western, fabric, basic and classic) are in broad distribution.


BEFORE
AFTER THREE WASHES
SHRINKS ABOUT 4" IN WIDTH
SHRINKS ABOUT 4" IN HEIGHT

For the first time since 1850...

WHAT MUST BE THE STRANGEST PAIR OF JEANS EVER MADE ARE FINALLY MADE TO FIT WOMEN.

Levi's® original button fly blue jeans - in a denim that shrinks so much, you'll need real faith to buy them. But, oh, what a fit!

Your washing machine "tailors" the 501™ to hug every curve.

What separates 501's™ from the jeans you're accustomed to wearing is our exclusive "XXX" all cotton denim. In the store, you'll find that the jeans feel stiff, look dark, and are much bigger than the size indicated.

But trust what we tell you: after just three washings, the length, waist, hips – everything – shrinks permanently to fit like no jeans you've ever worn. A few more washings and the fabric "breaks in" to become softer, lighter in color, and extraordinarily comfortable.

The jeans that won the west have discovered women.

For over a century, the only way a woman could get authentic 501™ Blue Jeans was to buy a pair made for men.

But now, at long last, we've started making those same rugged shrink-to-fit jeans for junior sized women.

Same metal buttons on the fly. Same copper rivets on the front pockets and red Levi's "tab" on the back pocket. Nothing has been changed but the fit. To fit you perfectly.

The older they get the better they look.

In many parts of the world, a washed-down and broken-in pair of 501™ jeans are more desirable than a brand new pair. Because despite their after-washing softness, a good old pair of 501's™ is still as tough as nails. (Rumor has it that old 501's™ never really die. They just sort of "fade away.")

With their button fly and shrink-to-fit fabric, Levi's 501™ Blue Jeans probably *are* a little strange. But try a pair for yourself.

After you've worn the very first blue jeans ever made, you may find everything else running a distant second.

501™

Look for 501's™ in The Junior Department.

LEVI'S WOMENSWEAR

QUALITY NEVER GOES OUT OF STYLE®

Levi's made news in newspaper ads like this page in New York *Times* by announcing its shrink-to-fit, denim jeans for women.

dience for menswear Action suits and Tailored Classic blazers and slacks.

In womenswear, products range from casual to dressy — and age level and sizes vary from misses to juniors, and from petite to large.

Youthwear products in girls and boys sizes are appropriate to back-to-school, play and dress-up.

Personal sports participants are the target for Activewear — skiers, tennis buffs, joggers, the rugged, general outdoorsperson.

Decisions: Is timing important in your advertising? Are there any promotional periods?

Spielberg: Yes, there are several promotion periods. The key periods and promotions are back-to-school, holiday, spring and fall. These apply pretty much in all lines, although different items will be featured at different times of year — and back-to-school is obviously centered on Youthwear Division lines.

Decisions: How does all this affect media usage?

Spielberg: Jeanswear and Menswear use television, print and radio.

Womenswear focuses mostly on national tv and national print.

Youthwear utilizes television exclusively.

Decisions: What is the rationale for using the different media?

Competitive national media budgets — 1980

	Levi's	Wrangler	Lee	Jordache	Gloria Vanderbilt	Calvin Klein	Haggar	Bon Jour
Magazines	$ 4,200,000	$ 528,000	$ 882,000	$ 845,000	$ 918,000	$1,008,000	$ 335,000	$ 110,000
Radio	5,700,000	1,078,000	258,000	57,000	941,000	—	28,000	—
Natl. Newsp.	290,000	42,000	163,000	866,000	89,000	135,000	13,000	43,000
Television	18,800,000	6,183,000	2,714,000	7,797,000	7,597,000	2,819,000	2,162,000	4,843,000
Total	**$28,990,000**	**$7,831,000**	**$4,017.000**	**$9,565,000**	**$9,545,000**	**$3,962,000**	**$2,538,000**	**$4,996,000**

Sources: LNA/BAR; RER; Media Records. Co-op (mostly newspaper) not available.

Levi's
Levi's
Levi's
JEANSWEAR
QUALITY NEVER GOES OUT OF STYLE

He's the working man…

· forging dreams with fire…

building, moving mountains, always reaching higher.

…all together.

He wears Levi's® jeans.

'Cause he knows…we still build the Levi's jeans…

that helped build…

America.

(Hammer Blow)

Storyboard for jeanswear commercial shows the genial giant from Levi's putting his stamp on American-made products. During period of diversification, the company wants to make sure American men realize it is staying with work clothes for men as well as expanding into women's and children's apparel. It also emphasizes that Levi's continues to manufacture in the U.S., while some competitors are going overseas.

Spielberg: Media selection is based in general on the budget available for a brand and market, the target audience and the type of message to be conveyed. For example, Movin' On jeans are targeted at a young audience, so we use radio exclusively. However for regular denim jeans, television of a kind that will reach working men is the base medium.

Decisions: What is your split in ad dollars by major media?

Spielberg: In consumer media, approximately 65% of the dollars will go into television, 25% into print and 10% into radio.

Decisions: Do you have any pooled media events?

Spielberg: Yes. Our principal telecast is of the National Sports Festival, which stems from our being a sponsor of the U.S. Olympic Committee. On this telecast we use commercials for products for several divisions. We will use the 1984 Olympics, which will reach almost every home in America, to showcase products from all divisions.

Decisions: Do you have a corporate advertising program in addition to the campaigns for each division?

Spielberg: Not at present. However, because we are a major sponsor of the U.S. Olympic Team and will be a sponsor of the 1984 Olympic Summer Games in Los Angeles, we are developing an extensive advertising and retail promotional program which will begin in 1983 and extend into 1984. During the current year (1982) all of our consumer advertising will be handled by the divisions. Their focus will be on specific products.

Decisions: It's our understanding that co-op advertising in newspapers is a very important element in your total promotion program. Who administers the co-op?

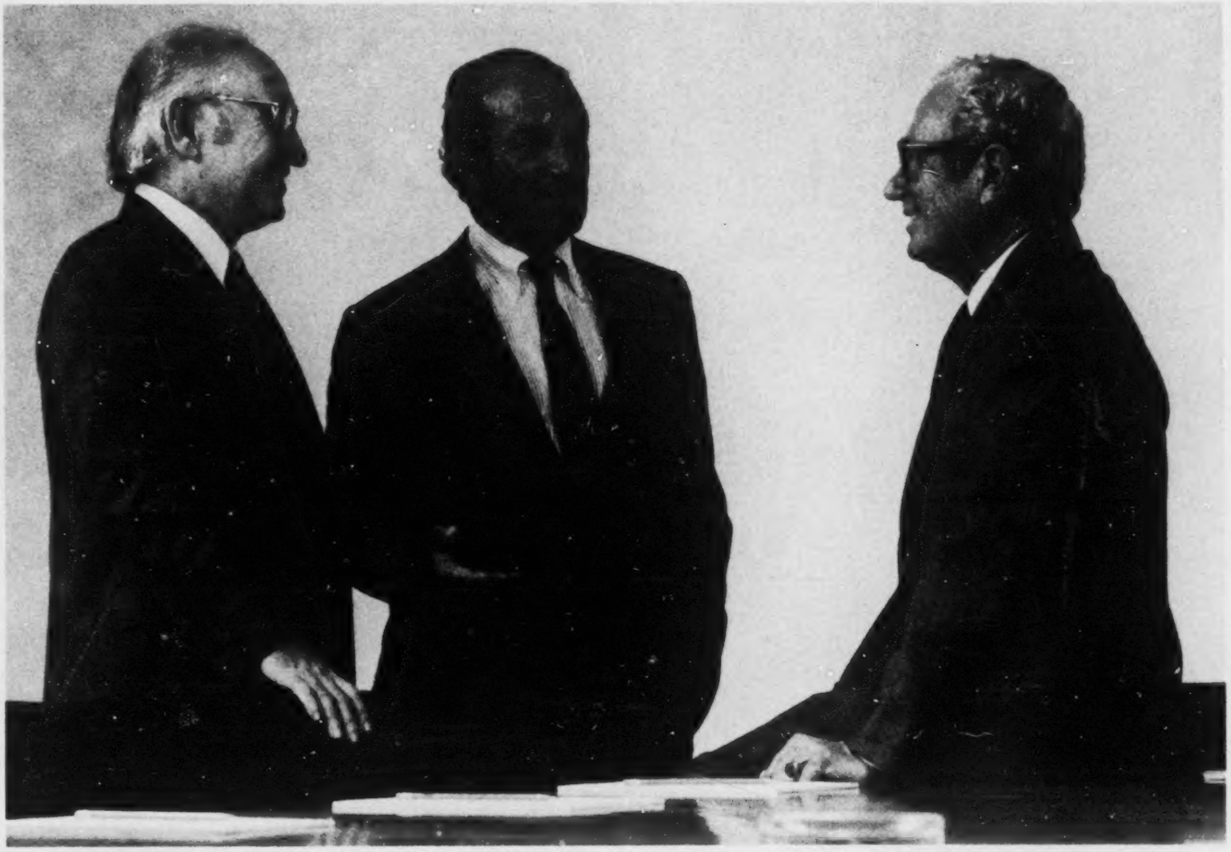
Spielberg: Each division has a coordinator responsible for co-op advertising administration.

Decisions: Do you use trade advertising?

Spielberg: Yes. Again, this is done by divisions. And they use the trade publications primarily to announce new products.

Decisions: Where do your best advertising ideas come from?

Spielberg: To formulate basic strategies our marketing units and advertising agencies use segmentation studies. Foote Cone & Belding/Honig is noted for developing extremely efffective and impactful consumer advertising. They are committed to producing high quality commercials, and that's what we need to reflect the high quality of our products.



Top management at Levi Strauss (left to right): Robert T. Grohman, president and chief executive officer; Peter E. Haas, chairman of the board; Walter A. Hass, Jr., who just retired as chairman of the board.

FCB/H is on the leading edge here on the West Coast of creative innovations. They have been very effective in using the fanciful "alteration of reality" creative technique for many of our brands. Our impact scores have been well above all Mapes and Ross testing norms.

Decisions: Are there other ways you measure results from marketing and advertising?

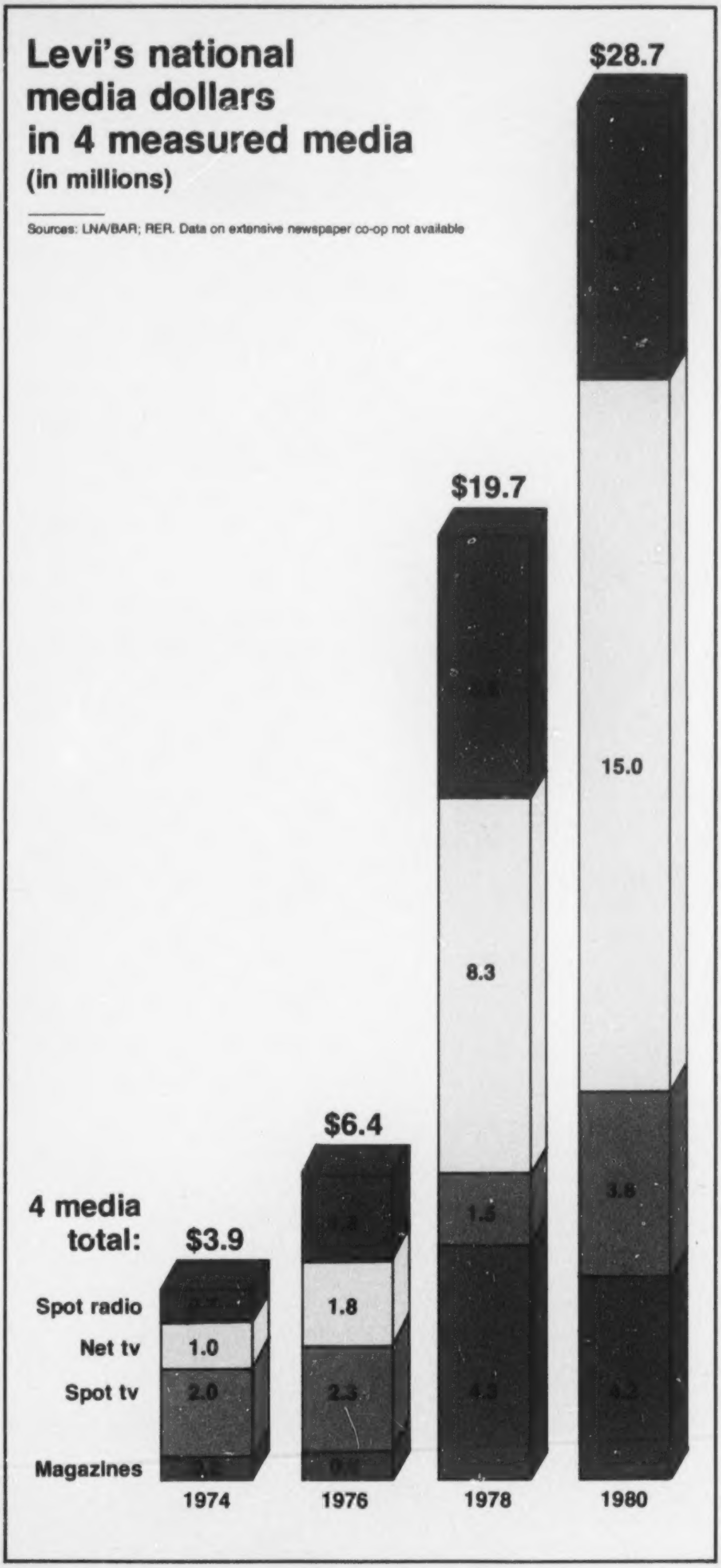
Spielberg: In the apparel business, unlike packaged goods businesses, there are not many good services — such as Nielsen Market Data — to measure over-the-counter retail movement. Therefore, our criteria are primarily based on shipments to major accounts. We also use brand awareness studies and brand share monitors obtained through purchase data from consumers represented in our national consumer panel.

Decisions: Do you have a timetable for setting marketing plans for the year?

Spielberg: Annual business plan development starts in July for the following fiscal year, which begins in December. All divisions develop their plans according to the same timetable for ultimate approval by the office of the president. Long-term planning is, of course, ongoing — as in the case of our Olympics sponsorship.

Decisions: In recent years Levi's has licensed its brand name to manufacturers in other fields. Is advertising of licensees controlled by Levi Strauss?

Spielberg: In the U.S., Brown Shoe Company markets Levi's shoes and boots; and Kayser-Roth (licensed by Burlington in 1981) markets Levi's socks. Quality standards for licensed products are established by Levi



Levi's national media dollars in 4 measured media (in millions)

Sources: LNA/BAR; RER. Data on extensive newspaper co-op not available

Strauss & Co.— and all licensee advertising must also be approved by the company.

Decisions: Are the markets you are in still growing?

Spielberg: Demographics in the United States are shifting, and population growth has slowed down. Our approach to growth is to penetrate existing markets further and to enter new markets.

Decisions: Who do you consider your major competitors?

Spielberg: In jeans, there are Wrangler and Lee, along with major national chain store brands. In menswear, there are Haggar and Farrah and the national chains. In the highly fragmented women's markets, we compete with Jantzen, Lady Wrangler, Calvin Klein, Bobbie Brooks, Gloria Vanderbilt, Ship 'N Shore, Lady Arrow and the chains. In youthwear, there is Billy the Kid, Carters, Health Tex, Garanimals, Lee, Britannia, Sedgefield, Wrangler and the national chains.

Decisions: How do you seek to position yourselves in those markets?

Spielberg: As I mentioned earlier, we are focusing on market penetration.

Our products are available through a variety of channels, including department stores, specialty stores, jeans stores, and — as very recently announced — the national chains.

We continually introduce innovative products, and we support our efforts with heavy consumer advertising. This goes into major national media and also into co-op, point-of-purchase material, etc. In 1981, the U.S. total came to $49 million, in 1982 $60.5 million for all kinds of advertising.

We will continue to market a broad range of clothing for men, women and children to suit the varied lifestyles of American consumers. We are committed to marketing products which are comfortable, provide the consumer with good fit, and are of unmatched quality.

Levi's ad dollars

Media expenditures recorded by Leading National Advertisers, Broadcast Advertisers Reports, and Radio

Expenditure Reports show that the build-up in Levi Strauss advertising really got going in 1978. Total national media dollars in that year jumped from $6.4 million to $19.7 million. (See chart page 44).

That was when the company entered its expansion into diversified apparel manufacturing in earnest and shifted to a divisional operation for maximum exploitation of its expanding array of apparel lines. Realizing that its market was moving from almost entirely male to young people and women of all ages, it moved heavily into network tv and has been there ever since.

Levi's has continued strong in magazines, radio and spot tv; but the largest leaps have been in network tv because of the breadth of its total audience. Network tv expenditures moved up from $1 million in 1974 to $1.8 million in 1976; to $8.3 million in 1978, to $15 million in 1980. Through 1976, the company was using more spot tv than network; but from 1978 on, spot tv expenditures have trailed network tv, although at higher levels.

Spot radio has always been important to Levi's youth-oriented promotions. Since 1978 radio expenditures have been running over $5.6 million a year.

National print media (mostly magazines) have been getting strong support, as Levi Strauss has sought to pinpoint its advertising toward the sharp targets developed through diversification of its growing variety of apparel lines.

Newspapers are also a vital medium — and always have been — for Levi's, but that has traditionally been handled as the base medium for co-op activities, and there are no published figures on co-op.

The chart is based on data published by industry measuring services. It does not include the considerable investments made by Levi Strauss divisions in co-op, point-of-purchase materials, and in all media outside the U.S. Levi Strauss's annual reports show worldwide advertising expenditures as $67 million in 1979, $85 million in 1980 and $81 million in 1982. That represents 3% of worldwide sales in all three years. About 60% of worldwide advertising expenditures were in U.S. markets, which account for 67% of worldwide sales.

Chairman's view of 1981

Peter E. Haas, who became chairman of the board of Levi Strauss in 1981, went on record stating that sales in that year had moved up only "marginally," but emphasized points of strength as the company moves into another year when apparel sales may suffer from a retail slowdown.

Two problem areas that he emphasized in his annual report for 1981 were: (1) Extent to which retailers trimmed inventories because of high interest rates; and (2) losses stemming from adjustments in exchange rates in the considerable overseas business of the company. Strong points that he cited were:

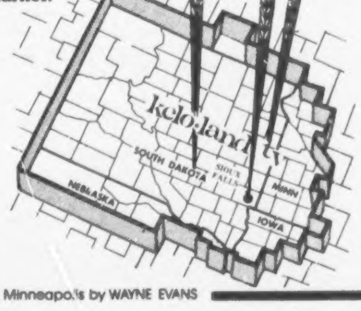
- Expanded distribution channels through two national chains — J.C. Penney and Sears Roebuck.
- New product leadership — specifically the addition of the Action line of men's casual garments; introduction

We're Kelo-land tv. Our No. 1's come in bunches!

In nationwide Arbitron Sweeps!

#1 ADI — S/O-S/O — Total Households — 44 share ☐ **#1** ADI — S/O-S/O — Women (18-49) — 39 share ☐ **#1** ADI — Prime Time — Total Households — 39 share ☐ **#1** ADI — Prime Time — Women (18-49) — 40 share ☐ **#1** ADI — Late News — Total Households — 54 share ☐ **#1** ADI — S/O-S/O CBS — Total Households — 44 share ☐ **#1** ADI — Prime Time CBS — Total Households — 39 share ☐ **#1** ADI — Late News CBS — Total Households — 54 share.

We sweep your message through this 91-county market!



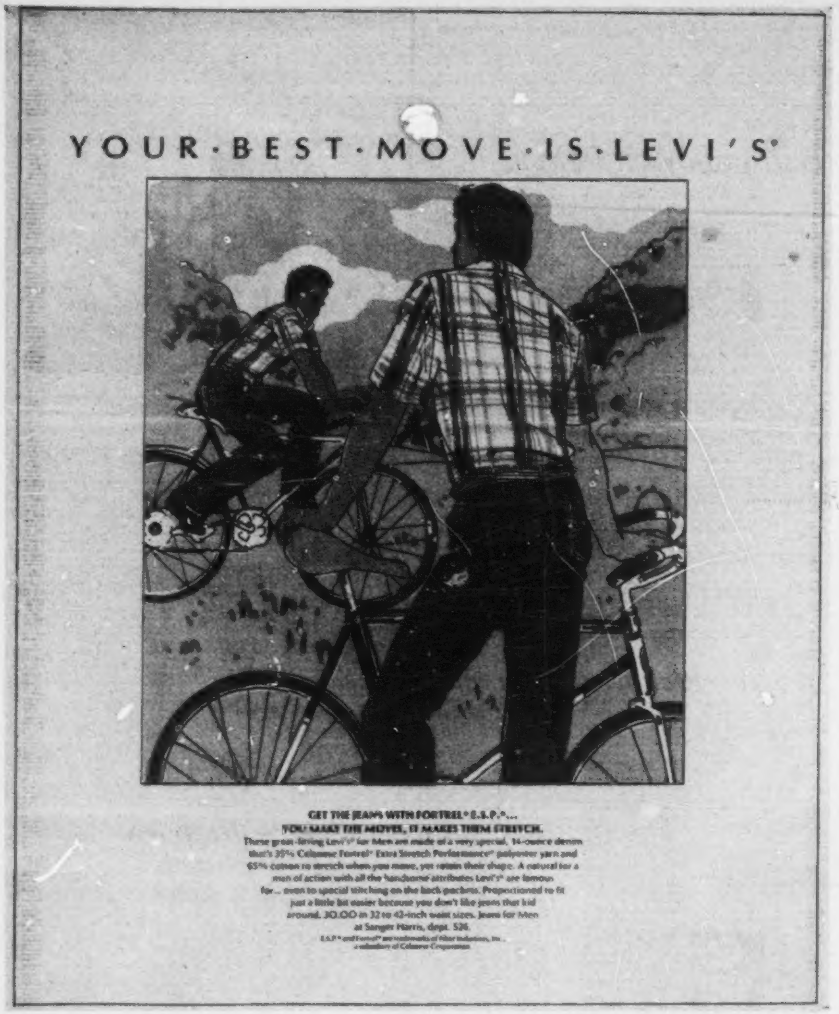
A CBS AFFILIATE

kelo·land tv

KELO-tv SIOUX FALLS, S.D.
and satellites KDLO-tv, KPLO-tv

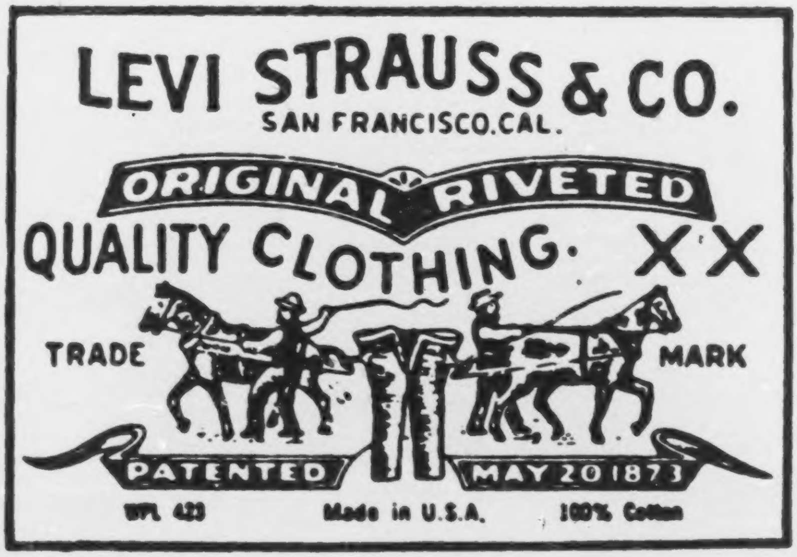
Source: Arbitron Sweeps, Nov. 1981. Affiliates of all three networks in equal facilities markets. Survey data estimates subject to usual qualifications.

Represented nationally by SELTEL In Minneapolis by WAYNE EVANS



GET THE JEANS WITH FORTREL® E.S.P.®...
YOU MAKE THE MOVES, IT MAKES THEM STRETCH.
These great-fitting Levi's® for Men are made of a very special, 14-ounce denim that's 35% Celanese Fortrel® Extra Stretch Performance™ polyester yarn and 65% cotton to stretch when you move, yet retain their shape. A natural for a man of action with all the handsome attributes Levi's® are famous for... even to special stitching on the back pockets. Proportioned to fit just a little bit easier because you don't like jeans that bind around. 30.00 in 32 to 42-inch waist sizes. Jeans for Men at Sanger Harris, dept. 526.

Co-op newspaper ad in good offset color is typical of extensive local advertising in behalf of various Levi Strauss lines. This one appeared in Dallas *Times Herald* for Sange Harris stores in 12 shopping malls.



of the women's 501 shrink-to-fit denim jeans; creation of the "separates" concept in merchandising of men's slacks, coats and vests.

- Capital expenditures totaling $229 million in 1980 and 1981 that are aimed at contributing to productivity.

- Continued diversification into fabrics other than denim and corduroy (the jeans fabrics) — with one-third of sales now in fabrics outside the original Levi's stock-in-trade.

- Increased reliance on market research.

- In the promotional arena, entering into a four-year contract with the U.S. Olympic Committee and the Los Angeles Olympic Organizing Committee — with an eye to advertising opportunities running through 1984.

In one of the understatements of the year, Walter Haas, Jr., commented: "Cancellation of U.S. participation in the Summer Games in Moscow was a disappointment.

"However, we supplied wardrobes to those selected for this competition and sponsored a major event for the U.S. athletes involved.

The conclusion of its research leads the Levi Strauss management to believe that long-term business trends are favorable to its concepts as follows:

"(1) Consumers are increasingly seeking value in their volume apparel purchases. Since the company is well positioned in the moderately priced apparel market, this trend bodes well for the future.

"(2) Brands are becoming more important in soft goods marketing. The Levi's, Koret and Resistol brands are potent forces in the marketplace.

"(3) The median age of consumers is rising in the U.S. and many other industrialized countries. Levi Strauss & Co., without sacrificing its appeal to youth, is finding ways to serve local customers as they grow older and their family incomes increase.

"(4) The media — particularly electronic — are becoming more influential in consumer purchase decisions. The company pioneered the heavy use of tv by apparel companies and continues to be among the leaders in this advertising technique."

Carroll Swan

AUTOMOTIVE

15 TOP MARKETING SUCCESSES 1981

Honda – where success lies in simplicity

Honda set a record for fastest growth in the nation among foreign imports. Yet this quiet company seems to have done so effortlessly. Its reputation for quality engineering generated extraordinary word-of-mouth advertising; now it's third in import sales. Honda has also achieved good mileage from a $25 million corporate advertising campaign that is both a marketing philosophy and management motto.

HONDA

Clifford Schmillen, vp-marketing
Needham, Harper & Steers

Honda Motor Company has been gaining momentum at a whirlwind rate, and is heading for a climax that may knock the breath out of some Detroit Goliaths and Japanese Giants.

The battle gets underway this fall, when Honda begins assembling the first Japanese autos here, a head start not yet followed by its competitors. The output of this new plant is expected to jump Honda's U.S. sales by 40% in a flash and send the company sailing around trade barriers that have dulled its remarkable journey to success.

Although tarnished by a few flaws, the story of Honda's meteoric rise in the U.S. market ranks as one of the more spectacular in recent automotive history.

The key to its climb has been held by Soichiro Honda, the engineer who became Honda president, laying the groundwork for the company's reputation for superior engineering. He spun off research and development as a separate company, away from the daily pressures of commercial business. Honda engineers, in this free-thinking environment, dreamed up one engineering breakthrough after another. Thus, Honda's quality image was firmly implanted. It was considered an upstart in Japan, but in the U.S. was acclaimed for manufacturing the highest-quality import on the market.

The American public has hungered for these solid, reliable and fuel-economic cars, often paying premiums for them. Detroit engineers have admired and envied Honda's intricately designed engines. The automotive trade press has enjoyed a love affair with Honda-manufactured cars.

It is not surprising then that word-of-mouth advertising has played the starring role in selling its cars. Advice and influence from family and friends is the most effective sales aid in the automobile business.

"We seem to get an uncommonly large amount of word-of-mouth advertising. We don't have to do that much convincing because a large percentage of our cars are already pre-sold," says Clifford Schmillen, vp of marketing, advertising and sales at American Honda, a wholly owned subsidiary.

Honda also gets exceptional mileage from the comparatively small amount it does spend on advertising — $25 million annually. "We keep it simple," the company's four-year-old creative slogan, sums up the company's marketing philosophy, serves as a company motto and positions its cars to customers — all in just a few words.

It's easy to see why this is a slogan that Honda wears well.

"We are simple to buy because of

On the road with Honda's team

Clifford Schmillen (left), American Honda's key marketing executive, and **Yoshihidi Munekuni,** the president's right-hand man, have adapted Honda's people-oriented management to the U.S.

In the course of putting this report together, we spent most of a business day with two top Honda executives on a visit to a typical dealership.

On this memorable though rainy day, we were swept away from our Madison Avenue offices in style — in a blue-grey limousine arranged for the executives. There we met Clifford Schmillen, Honda's mild-mannered vp of marketing, sales and administration.

In the downpour, the limousine journeyed to LaGuardia Airport, where Yoshihidi Munekuni, Honda's vp of the automotive division, joined the caravan. Munekuni, better know by his associates as "Moon," was arriving from Columbus, Ohio where he had been inspecting Honda's soon-to-be-completed auto assembly plant.

Munekuni's flight was delayed, so we took the opportunity to ask Schmillen some tough marketing questions. As the chaffeur circled the limousine round and round the airport parking lot to kill time, Schmillen thoughtfully and patiently gave us invaluable insights.

An hour later, Munekuni arrived, and we headed for Plaza Honda. As our behind-the-scenes glimpse unfolded, we saw Honda's management principles at work — and we were impressed. Our observation of a cross section of Honda employees showed that caring and listening seem to play a larger role in Honda's road to success than does a driving preoccupation with balance sheets.

At the dealership, our hosts were met in a fashion resembling the closeness of a family gathered for a holiday dinner.

John Rossatti, the well-dressed dealership owner, naturally was delighted to show off his well-run operation.

During the ride to the dealership, Munekuni had spoken little but smiled and nodded a lot. But here, he moved swiftly from model to model, with the intensity of the price, we are simple to own because of the outstanding gas mileage and easy servicing — and we are easy to park and get around town in," says Larry Postaer, senior vp-director of creative services at Needham Harper Steers in Los Angeles. The agency is driving distance from the client, where it can serve Honda's needs precisely and swiftly.

Honda's marketing success is all the more dramatic because two decades ago the company did not even make cars.

Honda came onto the scene as a manufacturer of motorcyles whose racing models began to impress British engineers by winning races on the Isle of Man with regularity.

Calling on the technology it had amassed over the years of motorcyle racing and its automobile engineering capabilities, Honda began making racing cars and a year later, in 1965, won the Mexico Grand Prix Championship, an incredible feat for an automobile manufacturer that had only been racing for a year.

Using racing as a laboratory to develop its technology for automobiles, Honda began turning out sports cars, trucks and coupes.

However, in 1970, Honda's first car in the U.S., the mini-compact, two cylinder N360, fell slightly short of disaster.

It seated two Japanese-scale passengers, had a habit of turning over at high speeds and struggled to reach 50 miles per hour tops.

But the Honda Civic, introduced in 1975, won instant popularity. It was the right car for the right time. The car's entry as a solid, gas-efficient, reasonably-priced vehicle coincided with the peak of the energy crisis. The Civic's low-pollution CVCC engine won recognition for its clean-running performance, meeting federal pollution standards without use of unleaded gasoline.

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a basketball player in a hard-fought game. He examined styling features, checked prices of options and even stopped long enough to rap on the hood of one car. Finally, he rested appraisingly beside a sporty, black Firenza, claiming it was his favorite model from Oldsmobile.

Next stop for our caravan was a neighborhood luncheon favorite, where these key executives ate fine Italian cuisine with Plaza's owner and his entourage of parts, service and sales people.

As red wine flowed freely, an oddly assorted group of top executives and coveralled and casually dressed dealer workers seemed to communicate on the same level.

The mechanic, Rocky DelPriore, developed an instant rapport with the president's right-hand man. In a thick Brooklyn accent, he reminisced with his superior about a Honda-sponsored trip to Japan he made last summer. (Each year Honda awards 50 of its top-selling dealers a free trip for two to Japan.)

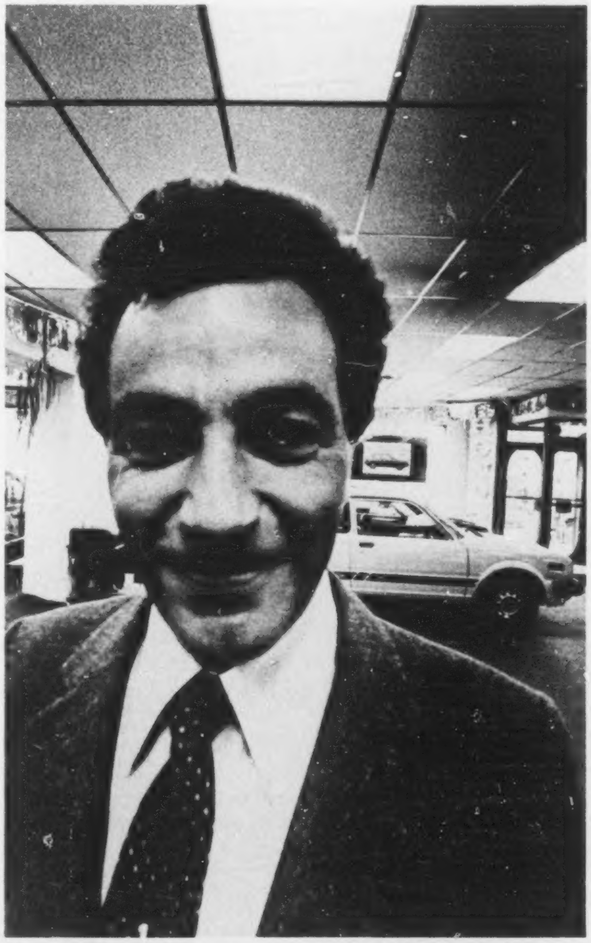
A stocky salesman, between mouthfuls of fetuccine alfredo, explained the region's sales trends to Schmillen.

The chance to shine was not lost upon Sal Tinervia, the parts supplier, who boasted that his stock is so expansive that he sells to supply-short dealers.

It would be difficult to find employees so loyal, conscientious and enthusiastic as these. They may well be Honda's unsung company spokesmen. They don't have the visibility of Tom Carvel or Frank Perdue, but certainly they have the verve.

And, in the same vein, one would be hard-pressed to find such high commanders so attentive to lower level employees.

Japan's people-oriented management is world-famous. At Honda this practice has flourished, even in the fast-paced U.S. market.



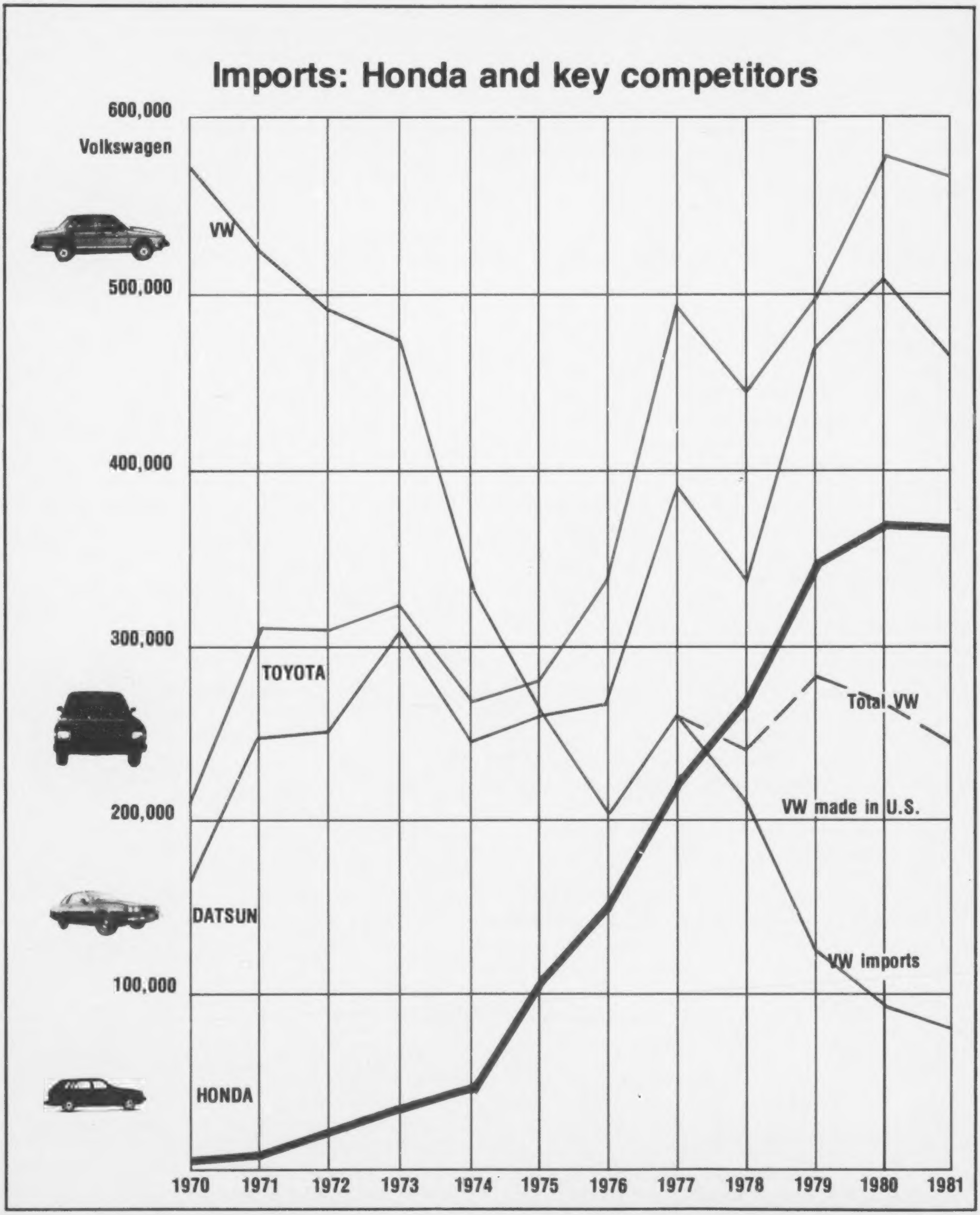
Honda dealership owner John Rossatti profits by encouraging excitement in his showroom and camaraderie among his workers, including those we visited in preparing this report.

Since then, standards have been tightened, and Honda resorted in 1980 to unleaded gasoline.

From the advanced engineering of the Civic, Honda had the basis to develop the Honda Accord, marketed as a luxury car beginning in 1976, and the Prelude, a sportier version introduced in 1978.

These models have helped Honda jump from eleventh among foreign importers in 1972 to third last year. Toyota Motor and Nissan Motor (which makes Datsuns) sell more foreign imports than Honda but they are much older and better established.

Honda, which broke a record shared by Volkswagen and Toyota for fastest growth in the nation, is gaining still on Toyota and Datsun. Last year, while these two slipped in import market



Imports: Honda and key competitors

HONDA
We make it simple.

Honda says this ad appearing in regional magazines is made possible by its front-wheel drive traction.

share, Honda gained a fraction of a percentage point, ending the year at 15.9%, according to analysts.

During the last decade, Honda might have sold more cars here had it not been for limited production capacity in Japan. But the new U.S. plant is expected to increase its sales by 40% on a current base of 350,000.

Honda's decision to build a plant here is an approach to a problem faced by all Japanese car makers — U.S. government-imposed voluntary import quotas that have prevented them from meeting U.S. sales projections. Honda planned to sell 425,000 cars in the U.S. last year but fell short by 75,000. Cars assembled at the U.S. plant will not be "imports." Imports will still be limited, but it can effectively sell a higher volume of cars here.

A deepened commitment to the U.S. market is putting the pressure on Honda's marketing team to bear down harder on specific customers.

"Perhaps we have been successful up until now with 'we keep it simple,' but with the new plant, we may have to make it a little more complicated," says Schmillen, Honda's key marketing executive. "We may have to get more scientific in the way that we market, taking a packaged goods approach," says the executive, who is affectionately referred to as "chief roundeye" at Honda's American headquarters in Gardena, California.

Increasingly complex and sophisticated marketing objectives are already being implemented, although it may be a few years before significant volume is picked up when the new plant reaches full capacity.

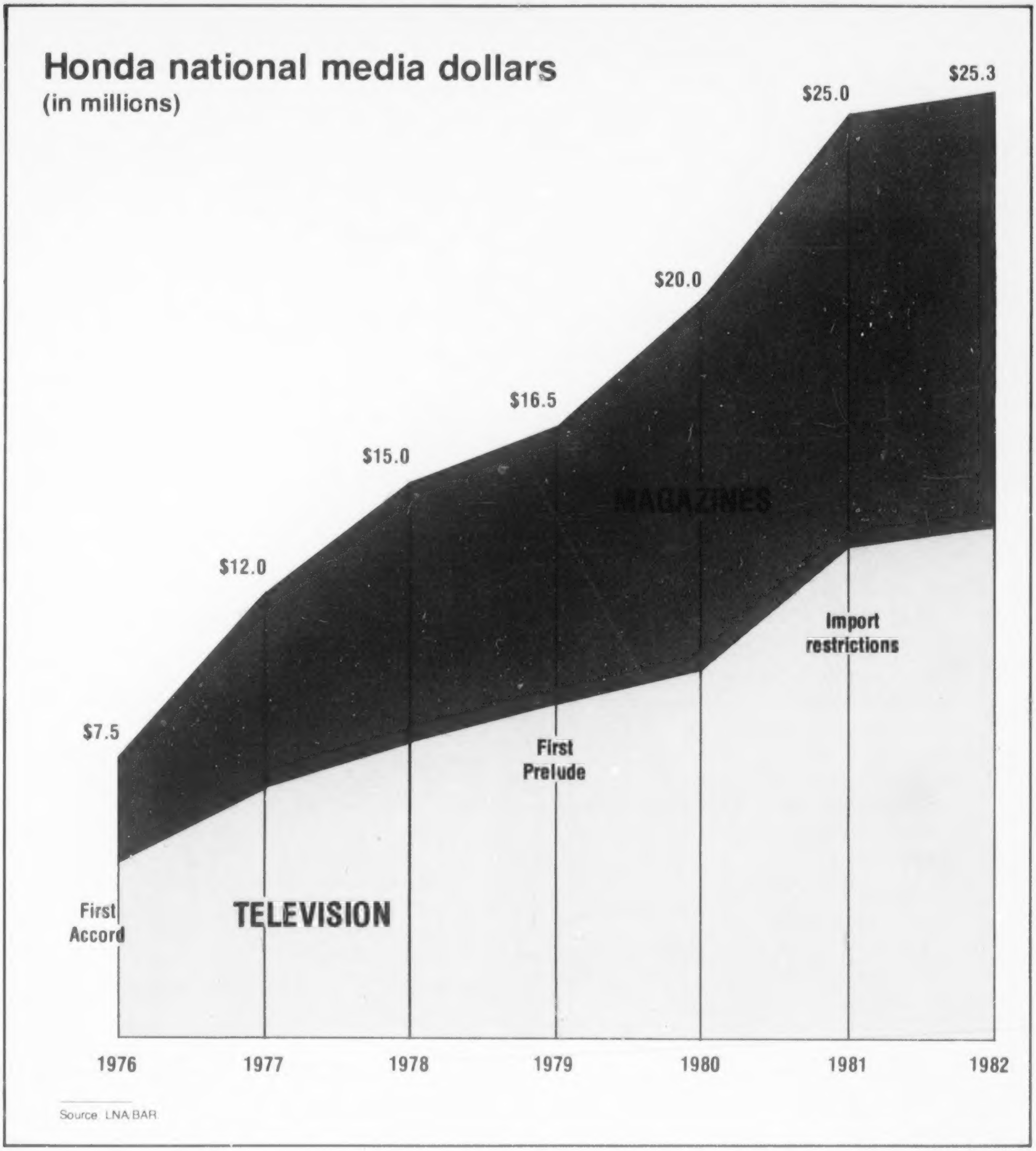
Honda's decision to build a factory here, in light of the U.S. government's protective domestic attitude, obviously makes good political sense. The plant will employ upwards of 1,500 American workers, and will use North American supplies and products. That, in turn, could relieve the U.S. government's import concerns, Honda officials speculate.

As part of a recently initiated corporate image campaign, Honda is attempting to influence public opinion by spreading the news that Honda is more than a foreign importer here to usurp the American economy. The company is trying to project that image through full-page ads in *The Wall Street Journal, Christian Science Monitor*, New York *Times*, Los Angeles *Times* and the Washington *Post* in addition to newspapers surrounding the factory area in Marysville, Ohio, near Columbus.

"I think it is important to let the American public know that we are making a substantial commitment by building this plant here," Schmillen admits. "One of the reasons is that buyers would still more readily buy an American car."

Honda's decision to build a manufacturing facility here comes as the cost of capital expansion in Japan has become too high for Honda. In order to lure Honda to Ohio, the state offered benefits equalling $2.5 million. Marysville is already home for a Honda motorcycle production facility.

Honda's "simple" advertising approach also is becoming more sophis-



Honda national media dollars
(in millions)

Source: LNA/BAR

ticated, in a second outgrowth of a more refined advertising effort. This new campaign seeks to make greater inroads in the Midwest, where sales have not been as strong as other geographic areas. Advertising support is increasing in that area because the new plant can readily supply cars to the Midwest. Opportunistic media buys have been made in the area so far: Honda has sponsored televised Ohio State University basketball, and the Cincinnati Reds and the Chicago White Sox baseball games.

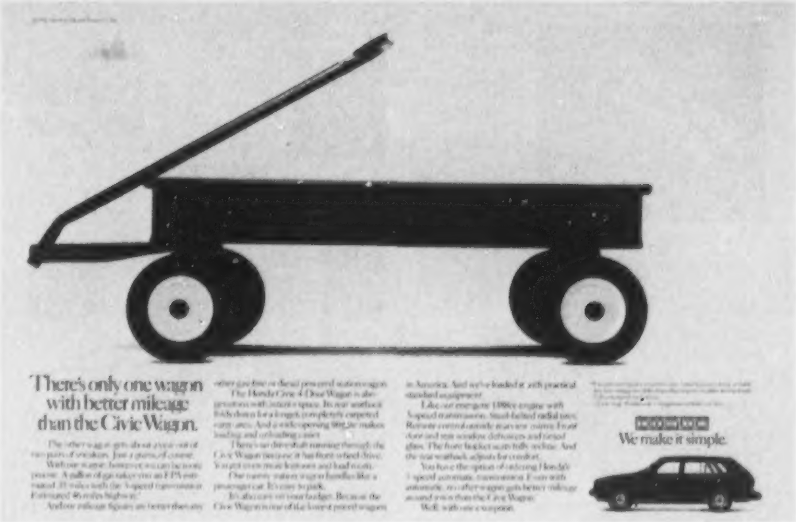
Honda's traditional advertising, which accounts for the bulk of its spending, uses a mix of media. Primetime programing reaches out broadly to American consumers with a greater skew toward females, while sports programing — a combination of NFL Football and CBS Sports — focuses on the males that buy 60% of Honda cars.

Television's 55% share of the total advertising budget is limited to network buys. "We need to do the national job first. Because we're often in a sold-out situation, we don't need to push more strongly on a regional basis — for example like Datsun and Toyota do," says Bill Hagelstein, vp-account supervisor, at NHS.

Magazines' 40% share of the total budget is split three ways. "Newsweeklies are selected for broadest reach of the target audience, monthlies for highest percentage of readers inclined to buy Honda and car enthusiast books for best editorial environment," according to Abbott Davis, vp-associate media director at Needham.

Although the media choices key into target prospects, and the three models sell for different reasons, the creative approach is uniform. The common theme of Honda ads is engineering that — through quality and economy — adds up to value, Hagelstein says.

About 80% of Honda buyers have attended or graduated college (college or graduate school is the chief distinguishing characteristic of all import buyers), more than half hold professional/managerial jobs, incomes are in the mid-thirties and ages fall in the mid-thirties.



There's only one wagon with better mileage than the Civic Wagon.

We make it simple.

Honda claims this is the only wagon that beats its gas mileage.

Honda's $25 million national ad budget is supported by dealer advertising associations that spend another $10-$15 million annually. The associations, which use spot television and newspapers, address product benefits central to their region. In 1980, its dealer associations spent over $400,000 in newspapers and its local dealers, over $2 million. Honda's maneuverability in the snow for example, is commonly promoted in the Northeast.

The national and dealer efforts combine to about $70 of advertising support for each car, which Schmillen calls a comparatively low figure.

Good publicity from automakers' most influential judges probably reduces the cost as much as anything else.

Car & Driver, in rating seven leading small cars in 1978, reported that the Honda Civic is the "only car with truly seductive powers. Like a new lover in the springtime, this little car makes you want to rush home and smother it with affection."

In addition, the Civic was awarded the 1974 Imported Car-of-The-Year Prize by *Road Test* magazine. And the Civic was awarded the economy prize in 1975 by *Motor Trend*.

Recently, *Car & Driver* executive editor Patrick Bedard, declined to cite which Japanese import is of the highest quality, but he quickly added: "If you ask me which one I like best, then I would have to say Honda."

"Detroit thinks of Honda as being able to handle complexity well," Bedard added. "It is a solid light weight car which means that there isn't a lot of rattling inside. And it is an intricate car with a lot of devices, almost to the point of gimmickry."

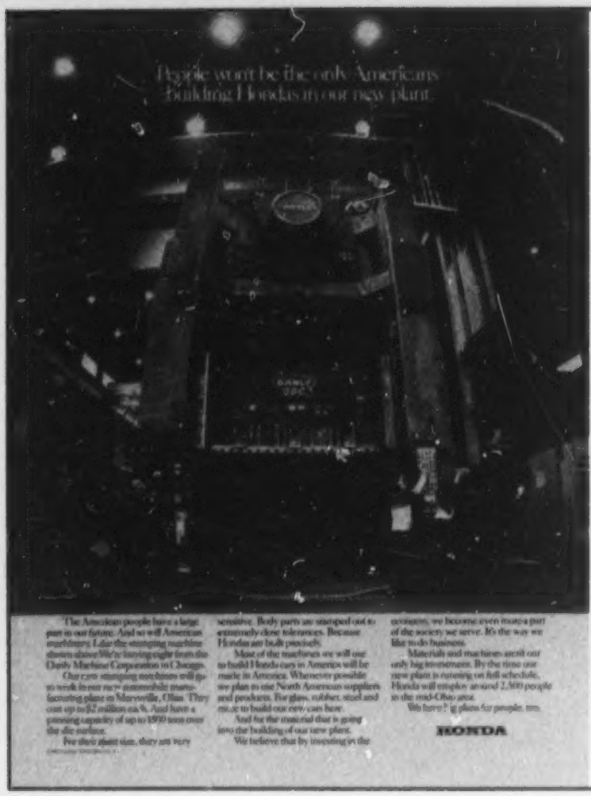
He was referring to, among other design features, the coin box that comes as standard equipment. (It was Honda's founder who got the idea of putting a coin box on the dash after he nearly had an accident on a turnpike searching for toll change.)

One competitive edge to Japanese

Ford

It's in VOGUE®

The book women live by.


People won't be the only Americans building Hondas in our new plant.
HONDA

Soon to be made in the U.S.A.

With this corporate image ad running in several newspapers, Honda lets the public know that it is making a substantial commitment to the U.S. This ad stresses that Honda's new plant will mean more work for American employees, and will also lead to a large capital investment. Honda wants to be known as more than another foreign importer here, because it believes that Americans would still more readily purchase an American car of equal quality. By spreading the word that the company is the first auto importer to build an auto assembly plant in the United States, Honda executives hope that the import bias against them will be lessened. They don't want to be viewed as a drain on the U.S. economy.

The task of the current newspaper image campaign is formidable because Honda intends to be able to sell a lot more cars once the new plant comes on-line. Near Columbus, Ohio, the new plant is expected to boost U.S. sales 40% on a current base of 350,000 a year.

PLAYBOY INDUSTRY VIEW: CLIFF SCHMILLEN

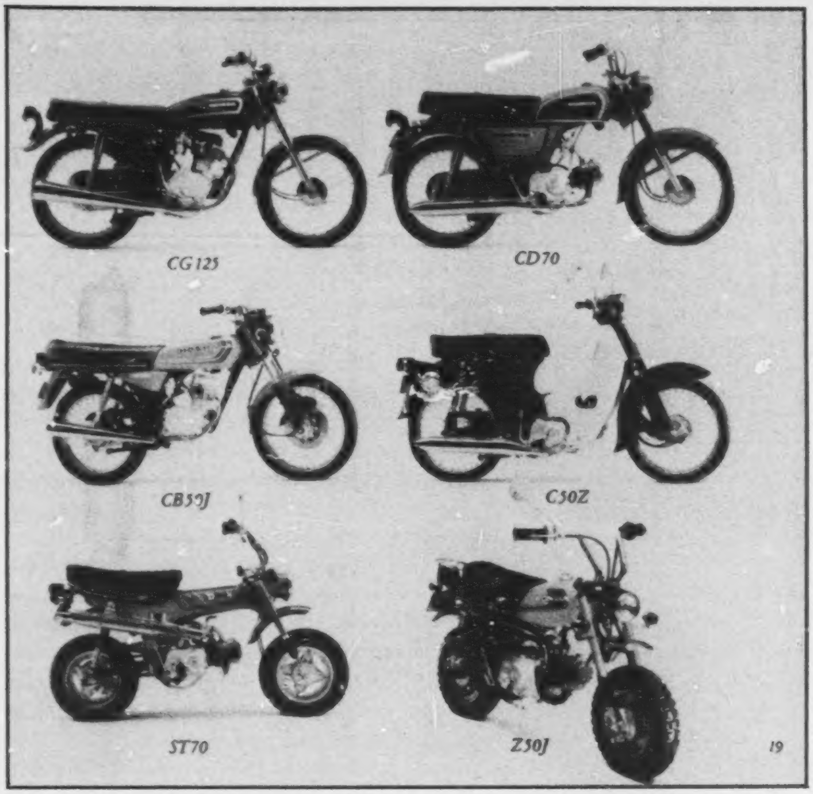
observations on automobile marketing, from cliff schmillen, vice-president of auto sales, american honda, inc.

PHOTOGRAPHY BY LARRY L. LOGAN

"In a more competitive climate, advertising must be increased. Honda will be increasing its budget, putting roughly half of it into print."

"No matter how efficient the marketing—no matter how creative the selling strategy—it's next to impossible to make money without a good product."

"Today, that 'good product' is a well-built small car with high fuel efficiency. But American buyers won't accept austerity. A small car and a plain car are not the same."



Strong sales of Honda motorcycles helped to establish a good reputation.

PLAYBOY: An ad campaign in PLAYBOY is more than competitive. It's aggressive advertising support–in an editorial environment that actually adds efficiency to a marketing message.

Each issue of PLAYBOY is read by 1 of every 4 American men who bought an imported car last year. These men use PLAYBOY as a guide for all things automotive–from buying a car to personalizing it with the right accessories to keeping it in top running condition.

Millions of American men are involved with PLAYBOY. And with the automotive advertising in its pages. An ad in PLAYBOY sends readers to their local car dealers. And sends dealers back to manufacturers for more inventory.

The Playboy reader. His lust is for life.

Source: MRI, Fall 1981. © 1982 by Playboy.

companies in entering the U.S. market, despite formidable domestic competition, is their encouragement of sound management principles.

At Honda, employees — according to a written company credo — are expected to:

- proceed always with ambition and youthfulness;

- respect sound theory, develop fresh ideas and make the most effective use of time;

- be ever mindful of the value of research and endeavor.

Practicing what he preached, Soichiro Honda retired in his mid-sixties, an age when most Japanese executives are peaking in their careers. He became a supreme adviser to the company in 1973, allowing younger employees' ideas to emerge. Honda, while at the helm, was often found alongside assembly line workers in company-issued white overalls and an American baseball-style cap. He encouraged the removal of barriers between management and workers in other ways. Workers daily meet for 15-minute discussions with group leaders about company policies. Everyone who joins Honda works for a time on the production line and is regularly switched between several departments in their first few years.

To keep its workers mentally alert, each morning, the Japanese workers prepare themselves for the day through five minutes of calisthenics.

In addition, employee devotion is rewarded. Honda, as do other Japanese companies, pays in relation to an employee's years of service. Although merit raises are given, the guiding concept is a job for life.

The employee's pride in the product shows. About 80% of the Japanese workers drive or ride a Honda and the rest don't drive or ride anything. The parking lot at Gardena, California is also filled with Civics, Preludes or Accords, although there are no strong discount incentives to buy a company car — as is the case in Detroit.

Despite the company's progressive management style and quality reputation, Honda would not have been able to ease into the U.S. market so gainfully had it not been for Clifford Schmillen, an unassuming and reflective man who *Fortune* magazine has said is the "very antithesis of the stereotyped marketing hotshot."

Schmillen was instrumental in establishing a tight dealership network, smoothing dealer tempers about supply shortages and overseeing its expansion to 800 dealers, with more to come.

Honda began recruiting dealers by convincing established auto retailers to take on Honda as a second line. But today, more and more exclusive dealerships are being formed. Honda insists that separate salesmen handle its cars. One reason Honda dealers are thriving is the opportunity to handle large volume.

Honda's dealers on the average sell 450 cars a year, more than most U.S. dealerships. There is a waiting list now for Honda dealerships.

Schmillen's "night watch" for his dealers is not done from "any ivory tower," he says. "We communicate with the dealers. We travel with the dealers. We travel with the district manager and we make a point of doing this. We think we know what's going on in the field.

Honda's Civic proved to be the right car at the right time when it was introduced to the U.S. market.

"If, for example, we have a dealer in an economically depressed area, we take a realistic attitude. We are not going to blame the dealer for poor sales."

Because Honda claims to know how its dealers think, it believes it knows the tricks that will produce high-volume salesmen.

"We sell only three models and in far fewer color selections than our competitors. Salesmen will get fond of a particular car and then that's all they want to sell. But our dealers like everything we make — so they sell them all," Schmillen says.

Planning for people expansion, he says, is becoming his major duty as the company aggressively pursues increased volume. But he claims that finding good people is also the company's biggest problem, because its expectations are high. "We're totally interested in being a good people company. We want people with common sense and good judgment."

Schmillen's keen sense of management and loyalty to the company would be difficult to match. He owns two Accords, and compares his devotion to the company to his service during World War II when he was a Marine Corps pilot. "I hated it when anyone criticized us. Now I hate it when anyone criticizes this company."

One way Honda strives to ensure high quality management is through internal promotions. Schmillen explains that it is "bad for morale to promote from the outside." He notes that his sales managers and zone managers all have field experience.

But he observes that "it's getting harder and harder to stick with these principles because we're young and growing so fast. I like to say that we are like a team without a bench."

Rebecca Fannin

Media Whiz Quiz for marketing computers, cars, cameras, home electronics and more:

Which weekly has the most affluent audience?

Publication*	HHI Median	HHI $25,000+	HHI $35,000+
The Sporting News	$29,178	56%	41%
U.S. News & World Report	$26,998	55%	32%
Time	$26,908	55%	28%
Newsweek	$26,719	55%	29%
Sports Illustrated	$26,275	53%	28%
People	$23,971	47%	25%

*Ranked by Median Household Income, Total Adult Audience, SMRB 1981/82

Surprised? Take a look at other key demographics and check CPMs. Both SMRB and MRI agree this weekly is a winner. An overnight success after 96 years. Find out about all of our surprising advantages.
In New York call 212-490-6610.

15 TOP
MARKETING
SUCCESSES
1981

Advantages of being self-contained

Tandy Corporation's Radio Shack home electronics and computer retail chain maintains its lead against competitors by taking care of its own. The chain manufactures most of its own products, distributes them to its own store outlets, and markets them against a 25 million-name mailing list of past Radio Shack customers. The marketing effort is also backed by an ad campaign worth about $16 million in newspapers, network television and magazines.

RADIO SHACK

Bernard S. Appel
vp-advertising

in-house

Judging from its business philosophy, the Radio Shack chain of home electronics and computer retail stores could be described as Tandy Corporation's do-it-yourself division.

Unlike its direct competitors, Radio Shack is in large part a self-contained entity. The company manufactures much of the private label electronic equipment, hi-fi components and microcomputers it markets and sells through its chain of 4,300 company-owned outlets and more than 2,000 private dealers in the U.S.

"If we manufacture a product or if one of our buyers buys a particular line of products," says Bernard Appel, Radio Shack's executive vp for marketing, "we are already assured that we will be able to distribute it to an established, nationwide chain of retail outlets. If RCA or G.E. or any of our other competitors comes up with a product, they have to put together a distribution system store by store."

It is this combination of distribution and marketing autonomy that has given Radio Shack a huge competitive edge over its competitors.

The merchandising of the Radio Shack stores is guided by instant market research gathered daily at the cash registers of the chain stores. Working from this data, the company's top management drafts its own marketing and advertising strategies.

While the ad campaign includes an $8 million network television schedule, $500,000 in magazine ads and a national newspaper campaign, Radio Shack's executives believe their primary advertising medium remains the direct mail flier. Each month, Radio Shack sends a 24-page pamphlet to more than 25 million previous customers — a mailing list painstakingly assembled over the years at the check-out counters of the Radio Shack stores.

"Radio Shack does everything in-house," says Appel. "We do half of our own manufacturing, we do our own media. If an outsider can come in and tell us something about our business that we don't already know, then we're in mighty big trouble."

To the contrary, Radio Shack appears to be in mighty good shape. According to *Forbes* magazine, Tandy Corporation's merchandising profits are almost as great as such retailing giants as Sears, J.C. Penney and K Mart. Tandy's sales of $1.7 billion last year, however, were far below the $27.3 billion for Sears or the $15.9 billion for K Mart.

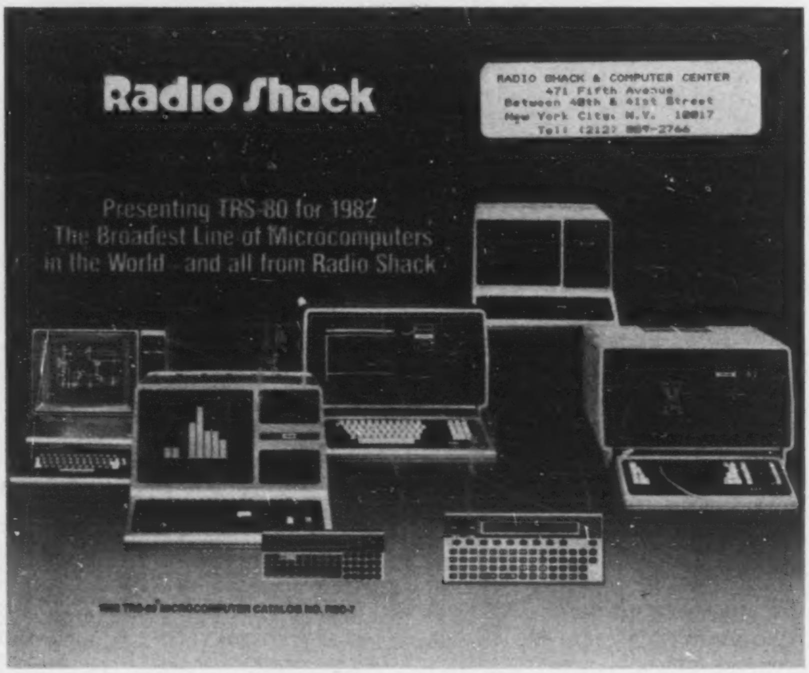
Radio Shack, which is the main profit center for Tandy Corporation, was able to contribute mightily to this profit picture even though the company operates in a field where most consumers do not fully understand the workings of the product, especially in the case of personal computers.

There is also the problem in retailing high technology electronics of consumer resistance to buy in anticipation of price roll-backs as the technology proliferates, or fears that imminent breakthroughs will soon render today's state of the art obsolete.

By promoting the company as "the world supermarket of sound" and by building on its early lead as the only national retail chain with its own computer product line, Radio Shack has successfully positioned itself as a viable and trustworthy source for the latest in high technology consumer electronics.

The advertising campaign, while designed primarily to promote particular products, actually serves two purposes. All of the ads carry the tag line: "Radio Shack, a Tandy Company." The corporate exposure has helped

Radio Shack — and its catalogue — are ubiquitous


Radio Shack
RADIO SHACK & COMPUTER CENTER
471 Fifth Avenue
Between 40th & 41st Street
New York City, N.Y. 10017
Tel: (212) 889-2766
Presenting TRS-80 for 1982
The Broadest Line of Microcomputers in the World - and all from Radio Shack
1982 TRS-80 MICROCOMPUTER CATALOG NO. RSC-7

The straw that stirs the Radio Shack marketing mix, according to Bernard Appel, Radio Shack's executive vp for advertising and marketing, is the company's consumer products catalogues and fliers.

The printed materials are used both as direct mail pieces to Radio Shack's mailing list of more than 25 million past customers, or as in-store promotional pieces.

It is these printed materials that perhaps more than any other form of advertising capture the range of marketing problems Radio Shack faces and the array of marketing strengths it can employ to overcome the obstacles.

The drafting of the consumer products catalogues are the direct responsibility of Michael Woods, Radio Shack's general manager for advertising. It is Woods who must see that the complex nature of the electronic equipment and gadgetry sold through Radio Shack stores is make Tandy one of the most desirable stocks on Wall Street and has helped the corporation average almost 40% return on equity over the past five years, according to *Forbes*.

"We like to promote our stock as well," said Appel. "Tandy is one of the all-time success stories on Wall Street. We encourage everyone to buy our stock, even our own employees. In fact, our employees and their families hold about 25% of Tandy stock. We've always been a good stock. Charles Tandy was a genius."

The late Charles Tandy was the founder, architect and driving force behind the corporation that bears his name. Following World War II, Tandy became the principal owner of a leather and sportswear business which he had won in a proxy fight. In 1960, Tandy bought a controlling interest in Radio Shack, which at the time was a Boston-based retail chain selling everything from pots and pans to stereo components. Tandy quickly pared off the kitchen utensils and other sundries from his merchandise line and set out on a program of rapid expansion.

Tandy's personal influence on the development of the corporation cannot be understated. He developed a top management team that understood and appreciated his business philosophy. They also stayed with him over the years. When Tandy died in 1978, the transition to new leadership went smoothly. Still, even today, Radio Shack executives characterize their performance by saying, "Charles Tandy would have been proud of what we've done."

John Roach, the MBA graduate from Texas Christian University who in 1977 convinced Charles Tandy to sink $150,000 into the development of Radio Shack's first personal computer, was named president and ceo of the parent company. Roach received the 1982 Chief Executive of the Year Award from *Financial World*.

In the Radio Shack management structure, there are two executive vice presidents under Roach. Appel handles merchandising and advertising, while Robert Keto oversees retail stores and franchise dealer operations. Within Appel's merchandising and advertising management set up are vice presidents for the computer merchandising and for consumer goods, and Ira Bass, vp-advertising and head of Radio Shack's in-house ad agency.

"We're a small group here," says Appel. "We're all close to each other. We work with each other all the time. The marketing strategies and the ad plans are put together by all of us."

The advertising campaign breaks down between mass media efforts to attract new customers and direct mail to keep repeat business.

"The most valuable customer to Radio Shack is the one who shopped there last year," says Appel. "So our best and most effective advertising is our monthly flier. Each month we mail out a 24-page flier, even more pages in the Christmas season. That's why we get the name and address of every customer who buys something in our stores. We have a mailing list of 25 million past customers. Who could provide us with that?"

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distilled and presented in an easy-to-understand form. The problem becomes even more intense in the catalogue for Radio Shack's line of microcomputers.

"We try to get across our philosophy on marketing microcomputers in the catalogue," says Woods. "We stress that we have a model for every walk of life, for every use, whether it be a computer for the home, a computer for business. Our line is so wide that we try to isolate them by benefits. We try to present which computer model will best fill the customers' needs."

The catalogues, through their copy, graphics and organization, address several problems in buying a computer, and present corresponding examples of how Radio Shack can assuage those problems.

First of all, the copy describing the microcomputers and accessory equipment is written in plain English, deemphasizing when possible the technological descriptions that can often scare away the computer novice. The Radio Shack catalogue stresses what the microcomputer model can do, rather than detail how it does it.

"What we have tried to do," says Woods, "is to take the mystique out of computers."

The catalogues are also used to display the range of computer models available through a single source. The model descriptions stress the versatility of the individual models and demonstrate their capacity for upgrading as either technology improves or the user's computer needs grow. The result is the alleviation of at least some of the consumer resistance to buy personal computer hardware now in fear that tomorrow's breakthroughs will soon render today's state of the art equipment obsolete.

Also included in the catalogue are price listings on all products, from computers and accessories to books on computer usage and accompanying software. Since Radio Shack owns most of its retail outlets, the company can be assured that pricing will be uniform.

The catalogue also promotes Radio Shack's nationwide distribution network, providing the consumer with a sense of accountability. Radio Shack computers, which are offered with a service plan, can also be serviced at many of the company's outlets.

"What we try to get across is that Radio Shack has the best supported line of microcomputers in the world," says Woods. "In the catalogue, we are able to tie that all together.

"We are able to tell the consumer that there will be service after the sale. It gives him a sense of quality of product, reliability of product, and a wide variety of software application available from a single source. The message is that Radio Shack will be here when you need us."

In the search for new customers, Radio Shack relies heavily on newspapers and network televison, with some support in magazines.

While Radio Shack's newspaper expenditures are not covered by Media Records, Appel, who declined to cite a specific dollar amount, concedes that "we spend a lot in newspapers. It's our biggest medium in dollars." That means something over $8 million.

A Radio Shack newspaper ad usually promotes as many as eight different products, from stereo equipment to wireless intercoms, to cordless telephones, burglar alarms, digital clocks and pocket calculators. All of the ads stress price and, when appropriate, price reductions. The bottom copy line on the newspaper ads direct the reader to his phone book to check the location of the nearest dealer or company-owned store.

John V. Roach, president and chief operating officer of Tandy Corporation, is man who convinced Charles Tandy, founder of the corporation, to first get into microcomputer development and manufacturing.

"Radio Shack is one of the few in its industry in the U.S. that can buy media nationally," says Appel. "We know that the Radio Shack stores will carry generally the same merchandise. We know that there will be one price in all company stores. And we have a distribution network across the country. So, it makes sense for us to use network television instead of spot. The only local buys we would ever make would be on radio in July during red tag sales, but that is all."

According to Leading National Advertisers/Broadcast Advertising Reports (LNA/BAR), Radio Shack spent $7.3 million in network television in 1980. Through the first nine months of 1981, according to LNA/BAR, Radio Shack had spent $2.1 million in network tv, compared to $1.7 million during the same time period in 1980. The fourth quarter of the calendar year is, obviously, a critical period in Radio Shack's advertising plans. According to LNA/BAR, Radio Shack in 1980 spent almost 70% of its network tv budget during the last three months of the year.

"We don't even start to use television until the fall," says Appel. "And then we're on football mostly during November and December, during the Christmas selling season."

Ira Bass, the head of Radio Shack's in-house ad agency, says, "When we go on network tv during the Thanksgiving to Christmas selling period, we go for total households instead of searching for a particular demographic mix. We are promoting so many different products during that period that we just have to concentrate on total numbers. During the six week flight, we run as many as 14 different spots."

Radio is virtually ignored by Radio Shack — in spite of its name.

Says Appel, "We use radio very rarely. We might use it during our clearance sales in January and July, or to promote a new store opening. But radio just doesn't work for us."

Magazines, however, do work for Radio Shack, especially for advertising microcomputers and sophisticated stereo equipment.

The magazine ad schedule for 1981 included various Radio Shack promotions in several business magazines, science publications and general interest publications. The target audience was primarily upscale men, with additional emphasis on the businessman who might be interested in small computers.

The Radio Shack magazine roster for 1981 included *Business Week, Forbes, Fortune, Inc., Omni, Playboy, Popular Science, Rolling Stone, Scientific American, U.S. News & World Report* and *Parade.*

"We also place ads for our computer products in business publications such as the *Wall Street Journal* and trade magazines such as *Byte, Personal Computer, Computer World* and a slew of others like them" says Bass.

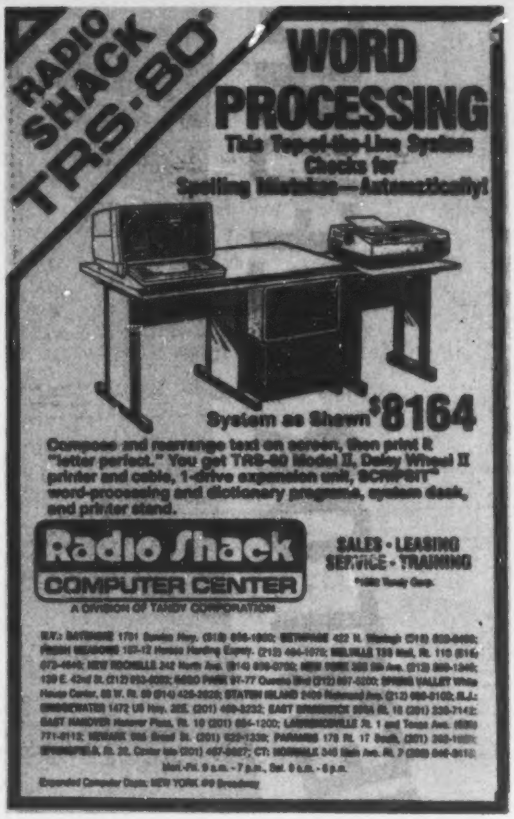
"The consumer books are used for our hi-fi equipment, CB radios, automobile sound, security systems and telephone equipment. For these products, we'll use *Rolling Stone, Stereo Review, Popular Electronics* and *Radio Electronics,* among others. During this fiscal year, we also intend to break into the women's books with some ads for our telephone equipment."

Bernard S. Appel, senior vp-merchandising and advertising at Radio Shack, says: "If an outsider can come in and tell us something about our business that we don't already know, then we're in mighty big trouble."

According to LNA, Radio Shack spent $530,000 in magazines in 1980. For the first nine months of 1981, LNA reports that Radio Shack had already placed $355,000 in magazines, compared to $280,000 in 1980.

The magazine advertisements range from promotions of Radio Shack's new TRS-80 Model 16 microcomputer to ads featuring Isaac Asimov.

Perhaps the greatest strength in the Radio Shack business strategy, however, comes from the company's national merchandising and distribution approaches, especially in computer sales. Last year Radio Shack, which markets seven microcomputer models, sold about 500,000 units — and they



RADIO SHACK TRS-80®

WORD PROCESSING

This Top-of-the-Line System Checks for Spelling Mistakes—Automatically!

System as Shown $8164

Compose and rearrange text on screen, then print it "letter perfect." You get TRS-80 Model II, Daisy Wheel II printer and cable, 1-drive expansion unit, SCRIPSIT™ word-processing and dictionary programs, system desk, and printer stand.

Radio Shack COMPUTER CENTER

A DIVISION OF TANDY CORPORATION

SALES • LEASING
SERVICE • TRAINING

Special newspaper ads from Radio Shack promote both TRS-80 Model II word processor and unique Radio Shack computer centers — special outlets with specially trained computer sales help. As with other Radio Shack newspaper ads, computer center ad stresses price and location.

accounted for about 30% of Radio Shack's sales last year (1981).

While most industry analysts predict sales growth in the microcomputer field will run as high as 30% for the next few years, the marketing of personal computers and the accompanying software continues to face some consumer resistance. The small business computer can become the central nervous system for a business, yet the businessman purchasing a computer rarely understands the full use of the equipment. Some consumers view computers as "a solution searching for a problem to solve."

Radio Shack's distribution, merchandising and sales approach, however, has helped considerably to assuage such consumer fears.

First of all, the visibility of the Radio Shack chain has provided consumers with a sense of accountability on the part of the seller. Further, Radio Shack maintains 350 company stores with complete computer departments staffed with specially trained computer salesmen.

"Our greatest strength is our ability to generate consumer trust," says Appel of Radio Shack's computer sales operations. "We have clearly presented ourselves as being price leaders and a value house. And we're there with 4,300 stores if we're needed later. None of our competitors can offer that." *Craig Reiss*

What retail store in Miami is missing 40% of its market?

Any retail store that isn't advertising in Diario Las Américas.

Because the Spanish-speaking people of Greater Miami are also the Spanish-reading people of South Florida. Comprising 40% of the total Miami market. With more than $4 billion in buying power.

Intelligent, informed, affluent and acquisitive people who trust Diario Las Américas, because it has been their daily newspaper for more than a quarter of a century.

Those are the facts. We can prove them to you in our 10-minute slide presentation. Call us for an appointment.

Diario Las Américas

The Spanish-language Daily Newspaper
Founded July 4, 1953

Diario Las Américas
2900 N.W. 39th Street
Miami, Florida 33142-5193
(305) 633-3341

De la Cocina
Noticias de Miami y Florida
DIARIO LAS AMERICAS

COMPUTERS

15 TOP
MARKETING
SUCCESSES
1981

Apple's personal touch

Getting rich quick is the name of the game for Steven Jobs. In six years this 27-year-old entrepreneur has turned a small personal computer operation into a $335 million business. Last year alone, ad expenditures in the $10 million range increased awareness of Apple from 10% to 80%.

APPLE

Steven P. Jobs, chairman;
A.C. Markkula, Jr., president

Chiat/Day

Six years ago, two young men with a penchant for tinkering developed a pint size machine that is now the front runner of a $2.2 billion worldwide industry.

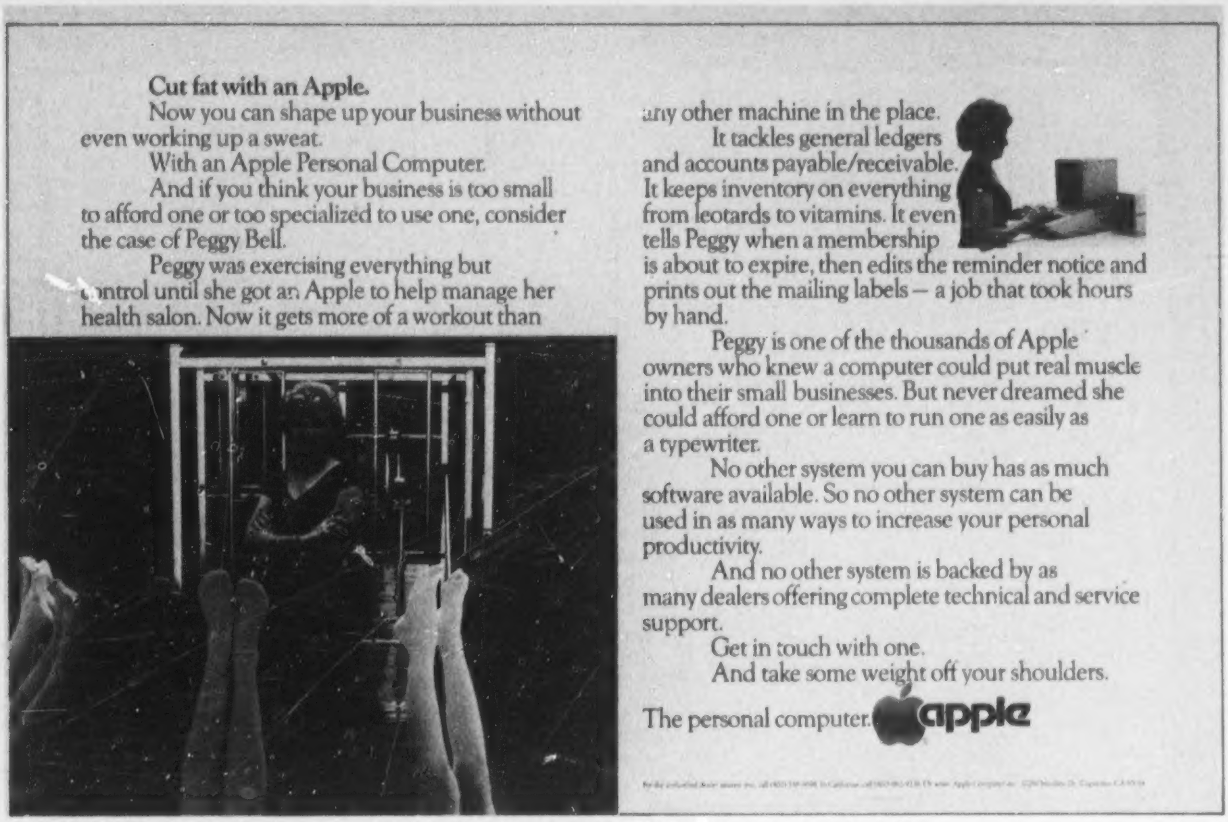
The inventors were Steven Jobs and Stephen Wozniak. The machine was the Apple II personal computer, consisting of an internal memory system, a keyboard and a video display screen (CRT).

Besides being a child prodigy, Jobs, presently Apple's chairman, had an unusual flair for promotion. When Apple Computer Inc. was operating out of his parents' garage on a shoestring budget, Jobs bought full page splashes in *Scientific American* and *Byte* magazines, creating the impression that his small time operation was a legitimate contender against the giants of Silicon Valley.

And last year Jobs launched an advertising and promotional campaign that increased consumer recognition from 10% to 80%, according to the company's annual report.

Henry Whitfield, advertising manager, attributes Apple's increased consumer awareness to several factors. "Last year we used broad based media on a fairly significant scale for the first time," he says. "On top of that, as more competitors have moved into the market place, we've been the beneficiaries of increased interest in the personal computer field."

With ad expenditures ranging between $10 and $15 million, Apple's 1981 media base included spot tv in



Cut fat with an Apple.

Now you can shape up your business without even working up a sweat.

With an Apple Personal Computer.

And if you think your business is too small to afford one or too specialized to use one, consider the case of Peggy Bell.

Peggy was exercising everything but control until she got an Apple to help manage her health salon. Now it gets more of a workout than any other machine in the place.

It tackles general ledgers and accounts payable/receivable. It keeps inventory on everything from leotards to vitamins. It even tells Peggy when a membership is about to expire, then edits the reminder notice and prints out the mailing labels – a job that took hours by hand.

Peggy is one of the thousands of Apple owners who knew a computer could put real muscle into their small businesses. But never dreamed she could afford one or learn to run one as easily as a typewriter.

No other system you can buy has as much software available. So no other system can be used in as many ways to increase your personal productivity.

And no other system is backed by as many dealers offering complete technical and service support.

Get in touch with one.

And take some weight off your shoulders.

The personal computer. apple

Application-oriented ads are part of Apple's campaign, which saturates print media.

the top 15 markets during prime time and early and late fringe, as well as network radio and print.

Although Apple has stopped running tv and radio spots for the time being, the company's ad campaign still leans heavily toward print.

According to Whitfield, Apple plans its media schedule quarterly, and the media mix for the upcoming months is yet to be decided.

The primary target audience for the Apple II personal computer and the more recently launched Apple III is men with incomes of $35,000 plus in business and management positions.

The print campaign includes ads explaining how people use the Apple II, and others designed to relaunch the Apple III.

Trouble with Apple III

Whitfield explains: "When the Apple III came out in late 1980, it was never really introduced in the media. It wasn't supported by separate advertising, and it suffered from that."

Worse yet, the machine had some hardware problems and it got a bad reputation among dealers and enthusiasts. Whitfield admits: "We actually rushed it to market — in retrospect, prematurely."

To counteract the Apple III's negative press, the machine was taken off the market and overhauled. Notes Whitfield: "We ironed out all the kinks and developed new software." When the III was ready for its second debut, the company decided to kick off a relaunch campaign.

To compete with three other companies that had introduced personal computers while the Apple III was back on the drawing board, Whitfield says, "We felt we had to take a pretty gutsy, head-on, informational approach.

"Since we think the Apple III is vastly superior to its competitors in capability, price and expandability, we felt that we had a strong story to tell consumers."

He admits that this approach was also taken to prevent people from being swayed by big name competitors like IBM, Xerox, Hewlett Packard or any others.

Apple's print media campaign runs in magazines, including *The Wall Street Journal, Newsweek, Fortune, Time, U.S. News & World Report, Business Week* and airline flight magazines.

Trade press and enthusiast books include *Chemical Engineering, Data Sources, Electronic Learning, The Journal, Learning Magazine, Byte, Personal Computing*, and *Engineering Market*.

Apple focuses on the science market with ads in *Scientific American, American Scientist* and *Science '82*.

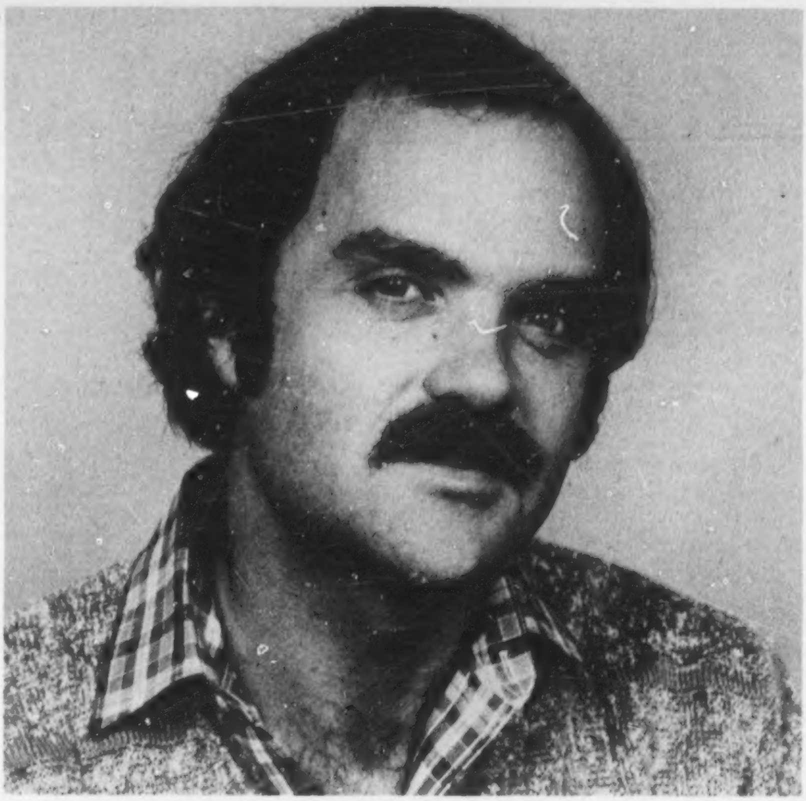
The education field is yet another important market for microcomputers. Thus Apple has a "saturation campaign" in the vertical education trade books, according to Whitfield.

Importance of co-op

Another branch of the company's advertising arm is its extensive co-op program. Since Apple has neither the direct sales muscle of a large corporation nor a chain of retail stores similar to Tandy's Radio Shack, it depends entirely on independent dealers.

Notes Whitfield: "Our co-op program is fairly extensive. And since our dealers are getting more sophisticated

Advertising manager Henry Whitfield attributes Apple's increased recognition to a broad-based media schedule and growing interest in computers.



in their use of advertising at the local level, we try to take advantage of this as much as possible by providing an array of pre-produced advertising materials such as print ads, radio and tv spots."

To ensure that Apple's dealers, totaling over 1,100 stores, have a thorough understanding of its products, the company sets up extensive training programs.

States Whitfield: "One of the most important factors in this business is making sure that when a customer walks into a store and wants to look at a personal computer, the salesperson will know more about the machine than where the on/off button is. The toughest challenge facing our business and that of our competitors is constantly improving the calibre of knowledge at the point of sale."

In addition to Apple's traditional outlet of computer dealers, the company is also looking into department stores as another avenue of distribution. "We are doing some testing with Macy's," says Whitfield, "and we plan to expand that test into five other department stores as well. We can certainly see some potential there as a channel of reaching other people."

However it is yet to be determined whether department stores can actually handle the sales and support requirements of selling personal computers.

In developing media advertising strategies, Apple works directly with Chiat/Day, the company's ad agency in San Francisco, California which handles all aspects of account management, planning, buying and creative.

Unlike most companies, Apple does not have a marketing department. Instead, there is a group marketing council including key manufacturing, sales, advertising promotion and market research staff. This group sets objectives and priorities by mutual consensus. Then a marketing task force executes the objectives established by the council.

Along with a successful relaunch of the Apple III and continued penetration of Apple II sales, objectives set by the council for 1981 and 1982, another key marketing objective was to establish a National Accounts Program.

Dealer "certification"

"The National Accounts Program is our way of competing with the traditional office product companies like Xerox and IBM, which have direct sales forces," Whitfield explains.

Instead of selling directly, Apple has a certification program available for dealers interested in handling national accounts. If a national account dealer sells to a bank in California with offices in ten states, the dealer is responsible for coordinating placement and support services for all the machines purchased.

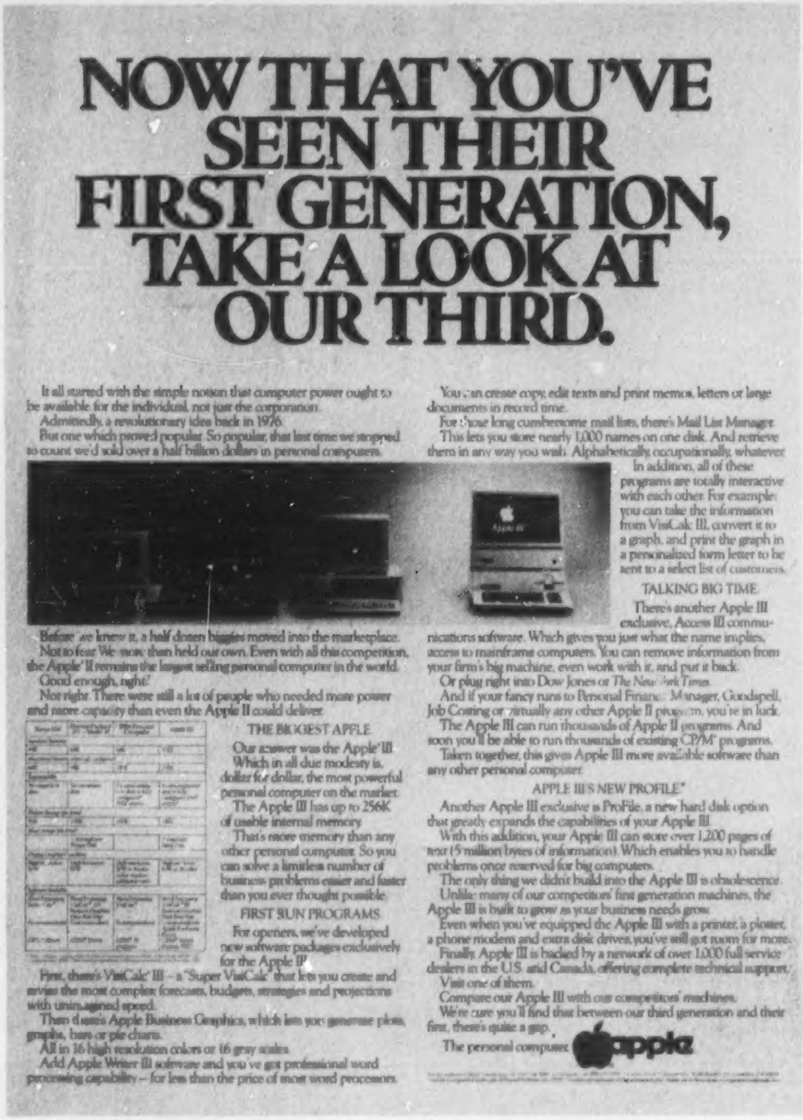
Whitfield predicts that this program (started in January of this year) will be well received by companies and dealers alike. He admits, "There are probably some companies who only feel comfortable dealing directly with manufacturers. However, we're finding that there's a surprisingly good acceptance of the program by large companies that work with local dealerships, as long as they provide a certain standard of performance and coordinate the overall process."

One reason Apple decided not to cultivate its own sales force, according to Whitfield, is that "it allowed us to expand our national account capability more quickly through our large dealer base, which was preferable to hiring a lot of salesmen. By June, Apple expects to have 100 national account dealers covering almost all of the major cities."

One area where Apple has set up a special sales group is in the potentially lucrative educational market.

According to Grant S. Bushee, vp of Dataquest, an A.C. Nielsen research unit, personal computer hardware and software sales to schools will more than triple by 1985 from about $150 million last year.

In addition to assisting dealers reach target educational decision makers, the group also employs regional reps for this purpose. Additionally, the educational sales force sets up special pur-



NOW THAT YOU'VE SEEN THEIR FIRST GENERATION, TAKE A LOOK AT OUR THIRD.

It all started with the simple notion that computer power ought to be available for the individual, not just the corporation.

Admittedly, a revolutionary idea back in 1976.

But one which proved popular. So popular, that last time we stopped to count we'd sold over a half billion dollars in personal computers.

Before we knew it, a half dozen biggies moved into the marketplace.

Not to fear. We more than held our own. Even with all this competition, the Apple II remains the largest selling personal computer in the world.

Good enough, right?

Not right. There were still a lot of people who needed more power and more capacity than even the Apple II could deliver.

THE BIGGEST APPLE

Our answer was the Apple III.

Which in all due modesty is, dollar for dollar, the most powerful personal computer on the market.

The Apple III has up to 256K of usable internal memory.

That's more memory than any other personal computer. So you can solve a limitless number of business problems easier and faster than you ever thought possible.

FIRST RUN PROGRAMS

For openers, we've developed new software packages exclusively for the Apple III.

First, there's VisiCalc III – a "Super VisiCalc" that lets you create and revise the most complex forecasts, budgets, strategies and projections with unimagined speed.

Then there's Apple Business Graphics, which lets you generate plots, graphs, bars or pie charts.

All in 16 high resolution colors or 16 gray scales.

Add Apple Writer III software and you've got professional word processing capability – for less than the price of most word processors.

You can create copy, edit texts and print memos, letters or large documents in record time.

For those long cumbersome mail lists, there's Mail List Manager.

This lets you store nearly 1,000 names on one disk. And retrieve them in any way you wish. Alphabetically, occupationally, whatever.

In addition, all of these programs are totally interactive with each other. For example: you can take the information from VisiCalc III, convert it to a graph, and print the graph in a personalized form letter to be sent to a select list of customers.

TALKING BIG TIME

There's another Apple III exclusive, Access III communications software. Which gives you just what the name implies, access to mainframe computers. You can remove information from your firm's big machine, even work with it, and put it back.

Or plug right into Dow Jones or *The New York Times*.

And if your fancy runs to Personal Finance Manager, Goodspell, Job Costing or virtually any other Apple II program, you're in luck.

The Apple III can run thousands of Apple II programs. And soon you'll be able to run thousands of existing CP/M* programs.

Taken together, this gives Apple III more available software than any other personal computer.

APPLE III'S NEW PROFILE*

Another Apple III exclusive is ProFile, a new hard disk option that greatly expands the capabilities of your Apple III.

With this addition, your Apple III can store over 1,200 pages of text (5 million bytes of information). Which enables you to handle problems once reserved for big computers.

The only thing we didn't build into the Apple III is obsolescence.

Unlike many of our competitors' first generation machines, the Apple III is built to grow as your business needs grow.

Even when you've equipped the Apple III with a printer, a plotter, a phone modem and extra disk drives, you've still got room for more.

Finally, Apple III is backed by a network of over 1,000 full service dealers in the U.S. and Canada, offering complete technical support.

Visit one of them.

Compare our Apple III with our competitors' machines.

We're sure you'll find that between our third generation and their first, there's quite a gap.

The personal computer. apple

To compete with big league corporations, a head-on approach.

chasing agreements to facilitate the purchase of hard and software by local school districts on the basis of statewide contracts.

To further increase its share of the education market, Apple recently came up with a proposal to donate an Apple II to each of the nation's more than 83,000 public, elementary and secondary schools in return for a tax break of nearly $20 million. However, the company cannot use the write-off unless Congress changes a current law that allows deduction of "scientific equipment" used for research purposes donated to colleges and universities, but not lower level educational institutions.

Steven Jobs has been actively lobbying for the change in legislation on Capitol Hill. If he gets his way, Apple will stand a good chance of grabbing a large share of the school market.

Education is not the only area that promises to be lucrative for personal computers. As more people become acquainted with these "user friendly" machines, analysts predict they will continue to expand into new markets.

Competitive growth

As a result of the rapid growth, an increasing number of manufacturers have jumped onto the personal computer bandwagon.

Up until a year ago, Apple, along with a handful of other companies such as Tandy's Radio Shack, Commodore and Atari had the personal computer field almost entirely to themselves.

But as the market continued to undergo phenomenal growth, some big league data processing manufacturers also set their sights on personal computers.

The company that made the biggest splash with a personal computer in direct competition with both the Apple II and III was IBM.

Notes Robert L. Christensen, analyst for A.G. Becker, "I think IBM is going to be a tough competitor for Apple, Tandy and everybody else. The main players in personal computers are starting to be identified."

Christensen explains: "IBM is a name that is unrivalled in the industry in terms of notoriety and presence. Also important is the fact that IBM's personal computer seems to have a lot of capabilities for the price."

On the other hand, Leonard B. Barshack, analyst for Salomon Brothers, observes that although "IBM has certainly had an impact on Apple, the company's entry into the personal computer market has also sparked more consumer interest. "I don't think that Apple has seen a major cut in sales because of IBM.

One big plus for Apple is the vast array of software currently available for both the II and III. However, analysts will be keeping a watchful eye as IBM quickly develops its software packages. Notes Christensen: "Apple is in a good position now because the company has sold a lot of machines and that's sparked a lot of software. But if their software development ever breaks down, they'll be in a lot of trouble."

Ad expenditures

IBM is not the only company that poses a threat to Apple. Tandy Corporation's Radio Shack has already captured 23% of the market, a share that is equal to Apple's slice of the personal computer pie. And Xerox recently introduced a machine humorously referred to by engineers as the "worm" because it is claimed to devour Apples.

Apple's competitors have also launched fierce advertising campaigns. Although Apple's total expenditures of $10-15 million for 1981 far outweigh its competitors, according to Leading National Advertisers last year Atari spent $4.7 (6 media total), while the second biggest spender was Texas Instruments, totaling $2.1 million. Radio Shack spent $10.3 million (6 media total), however since all of RS's corporate and brand advertising expenditures are lumped together, it is not possible to determine how much the company spent on personal computers.

Need for expansion

To compete with the new crop of personal computers, Apple will need to expand its product line and move into other areas.

One such market that holds significant potential is office automation. Apple is beginning to position itself in this area with its present products as well as several computers that are currently under development. Although the company has been fairly tight lipped about its upcoming entries, rumor has it that Apple is introducing another innovative product, code-named Lisa, sometime this year. This machine, reportedly developed at a cost of over $30 million, is touted as the "friendliest" personal computer yet to hit the market.

Although the details of how Lisa works are still unclear, Steven Jobs has indicated that the time it takes for a new user to get up to speed will be reduced from roughly 20 hours to 20 minutes.

Industry observers say that what makes Lisa so easy to operate is that users do not need to memorize codes. Instead, they simply choose any number of commands with the aid of a hand held push button device called a "mouse."

Says Salomon Brothers' Leonard Barshack, "I'm very enthusiastic about Lisa. There's nothing else like it in the field, barring the higher priced Star work station introduced by Xerox. The Star costs around $16,595 while Lisa is expected to be priced at $7-10,000."

Barshack notes that Apple is taking a gamble with Lisa because the company has invested heavily in research and development for the product. However, he feels strongly that Lisa's highly probable success in the office automation market will once again put Apple leap years ahead of its competitors.

Another new product, code-named Super II, is expected to reach dealer showrooms sometime this year.

Drawing on the success of the Apple II, the Super II will reportedly have an updated hardware design and a much lower manufacturing cost. This should enable the Super to compete with some of the lower priced competing personal computers that have recently been introduced.

Commodore, for example, unveiled a personal computer for $600 this past January which is considerably cheaper than the $1,500 Apple II.

Apple is also looking into a networking scheme that would enable its machines to be hooked up to main frame computers through cable, thus enabling them to communicate with each other.

The home market is another possible area for development. Although both Apple and Tandy had great hopes for this market several years ago, there has not been much consumer interest in purchasing personal computers to balance checkbooks and store recipes. But as electronic publishing, video and cable capabilities expand, there may

Which magazine has the highest percentage of readers buying office machines?

BAR
Forbes
MANAGING PRIVATE WEALTH IN A CHANGING WORLD
BusinessWe
FORT

Barron's does. More than four out of ten Barron's readers are in professional or managerial occupations. And, more than a third of them participated in an office machine purchasing decision for their firms in the past twelve months. That's a higher percentage than for Business Week, Forbes or Fortune.

So whether you're selling computers, copiers or word processors, Barron's Office Automation or Computers for Business and Personal Use advertising sections can help make your job a whole lot easier.

Reserve your space now. Office Automation Sections: June 7 and September 20. Computers for Business and Personal Use Sections: October 25 and December 6. Line rate: $10.40.

Just call Karen Quinn in Boston at (617) 742-5600. Or write Barron's, 35 Congress Street, Boston, MA 02109.

Today is history. Tomorrow is BARRON'S.

Source: MRI, Fall 1981. Copyright, Dow Jones & Company, Inc., 1982

ple computer

The "Apple Balloon" flaunts a familiar logo.

be a greater need for home computers down the road. In fact, some industry watchers predict that there is already a product code-named MacKintosh on Apple's drawing boards that is slated for the computerized home of the future.

Varied media emphasis

Of the four leaders in personal computer advertising expenditures, the emphasis on media varies from one company to the next.

According to Leading National Advertisers, in 1981 Apple placed $3.7 million in magazines and $2.5 million in spot tv. The company also spent $644,000 in network tv, $882,000 in network radio, $894,000 in spot radio (Radio Expenditure Report) and $262,000 in newspapers (Media Records).

LNA indicates that Texas Instruments placed all of its personal computer ad dollars ($2.1 million) in spot tv. However a specific breakdown of other possible media expenditures not listed in LNA were unavailable at this writing.

Atari had a fairly even mix of ad dollars in print, network and spot tv. The company spent $1.6 million in magazines, $1.3 million in network tv and $1.7 million in spot tv. Additionally, $385,000 was placed in spot radio (Radio Expenditure Report) and $954,000 in newspapers (as reported by Media Records).

Although we were unable to delineate Radio Shack's ad expenditures on personal computers, LNA reports that the majority of RS's ad dollars, $9.2 million out of a total of $10.3 million, were spent in network television.

As technological developments continue to create almost overnight shifts in the personal computer industry, most analysts admit that it is difficult to predict who will end up with the lion's share of the market. Having developed the first personal computer, Apple has achieved the enviable front runner position in the field. But as more companies enter the race, Apple will need to work even harder to maintain its innovative edge.

Madeleine Dreyfack

Media Whiz Quiz for marketing computers, cameras, cars, fine liquors, home electronics....

Which sports–minded publication has the most affluent audience?

Publication*	HHI Median	HHI $25,000+	HHI $35,000+
The Sporting News	$29,178	56%	41%
Sports Illustrated	$26,275	53%	28%
Inside Sports	$25,321	51%	29%
Playboy	$24,051	47%	26%
Sport	$22,521	43%	23%

*Ranked by Median Household Income, Total Adult Audience, SMRB 1981/82

Surprised? Take a look at other key demographics and check CPMs. Both SMRB and MRI agree this weekly is a winner. An overnight success after 96 years. Find out about all of our surprising advantages.

In New York call **212-490-6610.**

CORPORATE

15 TOP
MARKETING
SUCCESSES
1981

Mobil

They speak their mind

Mobil Oil, second largest corporation in the U.S., may well have the loudest voice. Under the feisty direction of master idea merchandiser Herb Schmertz, Mobil's thoughts on everything from media access to nuclear power ring noisily in the minds of those individuals who form the nation's policies. Going into its tenth year, the Op-ed campaign may not have made many friends — something that doesn't bother Herb Schmertz in the least — but it has contributed to a wide array of debates.

From the sixth floor of its world headquarters, high above the snarl of New York's 42nd Street, Mobil Oil speaks to the world.

It's here that the public relations and advertising departments churn out weekly opinion pieces on what Mobil thinks about the world oil situation, government regulation, nuclear power, decontrol of oil and natural gas, and the need for increased energy exploration.

Indeed, Mobil's idea peddlers will broach just about any subject that affects the company — and for one of the country's largest industrial giants in the midst of a world energy revolution, that is just about any topic under the sun.

Mobil's weekly op-ed campaign, born before the 1972 petroleum shortage, is celebrating a tenth anniversary. During those ten years, no other major advertising campaign has generated as much controversy or major media news coverage as Mobil's. The campaign has collected a fair share of admirers along the way, as well, but few imitators. One reason: Mobil's voice is distinctive and highly idiosyncratic — reflecting the personality of the company's top brass.

Another reason: competitors are not sure that it works. "The question I would ask," says a cautious admirer at a rival oil company, "is whether or not people respond positively or negatively to their op-ed ads. They certainly get a lot of attention, which is unusual in the industry. That delights the people at Mobil." He adds, "Our advertising represents our character — careful and moderate."

Has the exercise in verbal persuasion, which costs Mobil nearly $6.5 million per year, been successful?

Says vp-public affairs Herb Schmertz, a man who displays no discernable signs of regret: "If you went back over ten years you would find

Mobil

Herb Schmertz, vp-public relations

Doyle Dane Bernbach

that many of the things that we have espoused and which were unpopular or criticized at the time have now become pretty well accepted."

Schmertz does not mean to suggest that Mobil's advocacy has been solely responsible for the change in events, but he does believe that the company's willingness "to participate in the debate," as he puts it, has led to a constructive metamorphosis in Washington, a metamorphosis that is now favorably disposed to the oil industry.

Advocating a position — and seeking its end — has no doubt formed the core of Mobil's public relations *raison d'etre*. But the company also lays claim to a more altruistic aim, not measureable by any yardstick — defending big oil.

In 1978, in a lengthy apology to employees for what by then had become a highly charged campaign in the midst of a major oil shortage, chairman Rawleigh Warner explained: "What is the posture of an industry that, even when seriously threatened, is unwilling to defend itself publicly? Who will come to our defense if we are not willing to stand up for ourselves? The answer is nobody . . .

"We felt a strong need to have a voice in this debate and to engage in the dialogue. Unfortunately it has been a lonely voice. But I am convinced that if *we* had not spoken up, *nobody* would have spoken up."

The backdrop to Warner's stockholder and employee message was the oil crisis, but more importantly, a Congress and President hostile to the aims of Mobil. Jimmy Carter had just called Mobil "perhaps the most irresponsible company in America" after it had advocated that the tax on "old" or already discovered crude be maintained and slowly lifted while there be no tax on new oil discovered. Carter's

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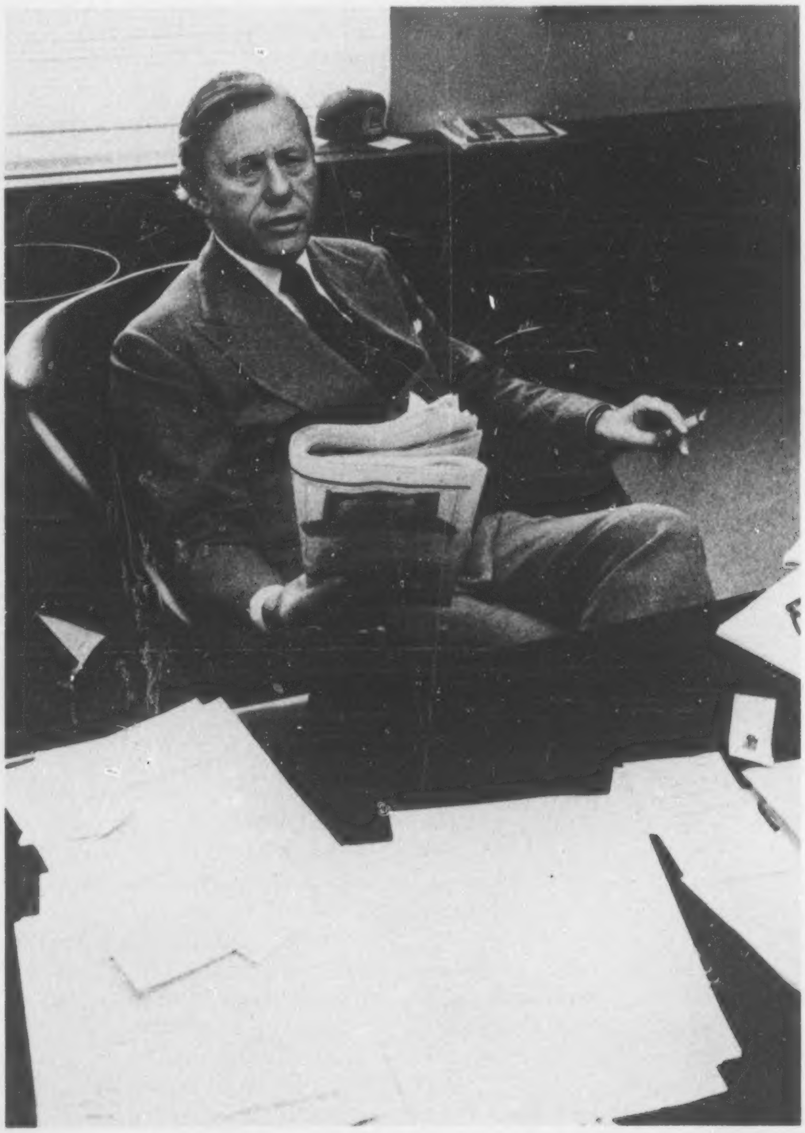
Op-ed king Herb Schmertz says it like he sees it



Mobil, as with any large company, has many sides to its personality. Unlike the majority of its big league peers, however, Mobil reveals its multi-faceted visage each week to those who care to read about it.

Like an irascible, opinionated columnist, Mobil uses the Op-ed ad to discuss some highly charged debate or controversy — if it impinges on the fate of Mobil.

And if Mobil itself is maligned by the media or some politician (once by Jimmy Carter) it is quick to send back salvos in its "column."

The ad has been assigned other purposes as well: often it will operate as a communications line to company employees — discussing, for example, company annuities. It will serve as a tune-in ad on occasion — especially when a new series on public tv kicks off. Sometimes its prose will wax eloquent in a discussion of natural wonders — and how Mobil is enhancing them.

But Mobil is most comfortable in the role of combatant. A reason for this personality quirk is Herb Schmertz himself, Mobil's resident columnist and mouthpiece (Schmertz on occasion will personally pen a column, but the task is normally left to a group of writers under his supervision.)

Schmertz, who incorporates the qualities of high toned intellectual with the street-wise tough guy, came to Mobil in 1966 to head the ire was aroused by the fact that Mobil was intent on seeking new domestic reserves of oil of its own.

Meantime, the oil industry was in the throes of price decontrol. The news media, particularly tv, was giving undue attention to government sources in covering the energy shortage, according to Mobil, and not taking serious account of the oil company's side.

"Scandal and rumor have thrived," wrote Schmertz on media coverage of big oil in a 1979 article in *Fortune*. "They have shock value and are simply more fun to read. They produce heros and facile answers . . . The failure of American journalism is this: it has felt free to report the gossip and recriminations but has done little to expose the political motivations that gives rise to them. Herein lies the information gap."

Filling the "information gap" was the task of the op-ed ad campaign. Every Thursday an ad appears in the corner of the New York *Times* op-ed page; about 11 dailies and *Time* get the ad a day later. *Observations*, an easier-to-digest column that reflects the op-ed themes appears in *Parade*, *Family Weekly* and 18 newspapers.

The heart of Mobil's tv ad campaign lies in *Mobil Showcase*. It came out of the networks' repeated refusal to air any Mobil ad that vaguely smacked of controversy; the company then planted its own commercials on commercial tv through a vehicle of classy theater presentations. Ads, two and one half to four minutes in length, appear on the shows. Mobil buys station time for cash and the station is required to run the ads in the show.

A further addition to the advocacy umbrella was made two years ago when WPIX-TV in New York created a nightly half hour news presentation to run on a string of independent sta-

corporate labor relations department after honing his skills for debate at the Federal Mediation and Conciliation Service.

He left public relations in 1973 to preside over the Mobil Shipping and Transportation Company but returned to p.r. one year later.

Since then, Schmertz has left an indelible stamp on Mobil's ad program, which is perhaps better known for him than for its ads.

Rather than cozy up to the media, which is what many p.r. departments assiduously work at, Schmertz and his Mobil idealogues search out errors and weaknesses.

When they find them, they trumpet them: an example is television's coverage of the energy crisis in the early seventies. In those days network news departments had few if any experts on the energy business. Coverage was often left to general assignment reporters who often had no expertise in economic reporting — coverage was often full of rumors.

Schmertz repeatedly hammered away at the news organizations — and created his own news stories.

But Schmertz, who sees his mission in exalted terms, has no regrets: "There are lots of instances in history when groups or individuals who espoused things that were unpopular were later proven to have made a significant contribution. I would like to think that is us."

Why do we buy this space?

For more than 11 years now, we've been addressing Americans with weekly messages in principal print media. We've argued, cajoled, thundered, pleaded, reasoned and poked fun. In return, we've been reviled, revered, held up as a model and put down as a sorry example.

Why does Mobil choose to expose itself to these weekly judgments in the court of public opinion? Why do we keep it up now that the energy crisis and the urgent need to address energy issues has eased, at least for the present? When our problems are with cost-cutting and increasing productivity, not with voters, politicians and customers?

Our answer is that business needs voices in the media, the same way labor unions, consumers, and other groups in our society do. Our nation functions best when economic and other concerns of the people are subjected to rigorous debate. When our messages add to the spectrum of facts and opinion available to the public, even if the decisions are contrary to our preferences, then the effort and cost are worthwhile.

Think back to some of the issues in which we have contributed to the debate.

- Excessive government regulation—it's now widely recognized that Washington meddling, however well intentioned, carries a price tag that the consumer pays.
- The folly of price controls—so clear now that prices of gasoline and other fuels are coming down, now that the marketplace has been relieved of most of its artificial restraints.
- The need for balance between maintaining jobs and production and maintaining a pristine environment—a non-issue, we argued, if there's common sense and compromise on both sides, a view that's now increasingly recognized in Washington.

Over the years, we've won some and lost some, and battled to a draw on other issues we've championed, such as building more nuclear power plants and improving public transportation. We've supported presidents we thought were right in their policies and questioned Democrats and Republicans alike when we thought their policies were counterproductive.

In the process we've had excitement, been congratulated and castigated, made mistakes, and won and lost some battles. But we've enjoyed it. While a large company may seem terribly impersonal to the average person, it's made up of people with feelings, people who care like everybody else. So even when we plug a quality TV program we sponsor on public television, we feel right about spending the company's money to build audience for the show, just as we feel good as citizens to throw the support of our messages to causes we believe in, like the Mobil Grand Prix, in which young athletes prepare for the 1984 Olympics. Or recognition for the positive role retired people continue to play in our society.

We still continue to speak on a wide array of topics, even though there's no immediate energy crisis to kick around anymore. Because we don't want to be like the mother-in-law who comes to visit only when she has problems and matters to complain about. We think a continuous presence in this space makes sense for us. And we hope, on your part, you find us informative occasionally, or entertaining, or at least infuriating. But never boring. After all, you did read this far, didn't you?

Mobil

tions around the country, the Independent Network News. A charter advertiser, Mobil created newscast look-alike ads that "give the other side of the energy story."

These ads, true to Mobil's tradition, have created controversy. Purists argue that the oil company is stepping beyond the bounds of advertising propriety when its ads reflect the program content, particularly when the content happens to be news. Mobil argues that the ads are clearly identified as Mobil pieces — indeed, Mobil's name figures prominently in these mini-"news" pieces on the "other energy story."

The question of success

Mobil's criteria for success, according to Herb Schmertz, is fairly simple: "We really look at whether our participation in the dialogue has had some impact on the decision making process. We will count our activities successful if we can conclude that we've been able to participate in the dialogue."

Others use different criteria. Prakash Sethi, pofessor of business and social policy at the University of Texas and author of numerous studies on advocacy advertising, asks: "do people know about Mobil's advertising? Are they aware of it? The answer is yes. But do people like the company any better? Has Mobil changed attitudes? Do government leaders feel they are better informed? I can't tell you."

A reporter who covers the energy business for a major national publication has a different perspective: "Mobil's succeeded in getting people to believe that the company is run by a bunch of intellectuals as opposed to some guys down on the oil patch."

Whether Mobil is liked or not as a result of advocacy advertising is incidental, says Schmertz. "One of the things we do *not* look at as a result of our activity is popularity. We really look at whether our participation in the dialogue has had some impact on the decision making process."

According to this measure, Mobil has had more than its share of success, says Schmertz. He points to numerous cases in which Mobil advocated an unpopular position that later turned out to be true: "We foresaw the whole damage to the auto industry in a series of ads we ran called the $66 billion mistake. For years we were running ads about the counter-productiveness of government regulation. As early as 1970 we were warning people about the over-dependence on foreign oil and the need to develop a domestic energy industry . . . We virtually predicted the Middle East War and everybody said we were hysterical. Many of the things we trumpeted early have now become pretty well accepted."

Perhaps another secret to success is that it is actually hard to *ignore* Mobil's advertising. Even Mobil's greatest detractors would admit this. Mobil's voice is part of any debate that centers on media access, the quality of network tv news coverage, and other hot issues. To those who do ignore Mobil's ads, simply because they are Mobil's, Schmertz has little to say: "The politician that says, 'I will not accept views or the source when I see the name at the bottom' is knee-jerking

Schmertz and other members of Mobil's corporate suite sometimes will write their own ad. "Refocusing the debate" represents one of Schmertz's own efforts.

In it he discusses the difficulties of Reagan's massive budget cut and its implications for a $90 billion deficit. Tax reductions and defense spending are touched on, but the bulk of the ad is devoted to one of Mobil's own interests — and its own suggestions for reducing the debt.

Refocusing the debate.

Along with most of the American public, we have been following the current debate over President Reagan's proposed federal budget and the impact and implications of a projected deficit in excess of $90 billion. With a desire to be constructive, we would suggest a change in the focus of that debate.

(A second debate is taking place regarding the propriety and equity of many of the non-defense budget items. Lower interest rates and accelerated economic growth will benefit all, including those adversely affected by these changes. Nevertheless, it may well be that some adjustments will be needed; this can be done without disturbing the integrity of the budget.)

There seems to be reasonable agreement regarding four objectives.

First, that it is desirable to reduce income taxes for individuals and corporations.

Second, that the United States needs to regularly and proportionately strengthen its defense capability.

Third, while it may not be as wholeheartedly accepted as the above two propositions, we think there is majority support amongst the public and economic analysts in favor of a free market energy system.

Fourth, that the current budget deficit in excess of $90 billion needs to be reduced because it contains the seeds for renewed excessive inflation, retarded economic growth, and continued high interest rates.

With substantial majority support for these four concepts, the debate should now focus on the narrower issues of whether current timetables for tax cuts, defense expenditures, and energy price deregulation can be modified in order to reduce the projected deficit.

It is not unusual to adjust timetables as a result of changed economic forecasts without abandoning the long-term achievement of these objectives. Surely, interest rates, unemployment, and the recession have changed the outlook from the time when the President's timetable was first announced. It is both possible and, in view of the projected deficit, desirable to adjust the timetables and the rates of expenditures and tax collections in a way that would significantly reduce the deficit and strengthen the economy, but at the same time maintain the long-term objectives.

These adjustments would set the stage for eventual achievement of the objectives we all seek. Specifically, we would suggest the following:

1. That the tax rate reductions for individuals and perhaps corporations scheduled to take effect this year be postponed to not earlier than January 1, 1983, thereby causing 1982 income to be treated as it was in 1981.
2. That the extent of increased defense expenditures for this fiscal year be reduced. Increased defense expenditures on a year-by-year basis are desirable and should be at a level in excess of inflation to insure a continuing net improvement in our defense capability. With that criteria in mind, we would suggest that the proposed increases in defense expenditures in the current fiscal year, while perhaps desirable from a defense point of view, are simply too large in terms of the projected deficit. Our conclusion is that defense expenditures should be reduced to a level below that projected but in excess of projected 1982 inflation.
3. That all price controls on natural gas be phased out and part of the revenue used to reduce the deficit. We understand and accept the view that the immediate decontrol of natural gas could also have a counterproductive impact on the general economy. Indeed, we have always believed that phased decontrol of natural gas would probably be preferable. This is consistent with our earlier views (as far back as 1975) in favor of phased rather than immediate decontrol of crude oil because of its possible adverse impact on the economy (a view which made us rather unpopular with some of our friends in the oil industry). Again, we are not suggesting that the objective of free market pricing of natural gas should be delayed for one day longer than necessary. What ought to be debated is a timetable for achieving that objective.

In our view, natural gas pricing and taxation should contain these ingredients:

- First, gas yet to be discovered should not carry any price control mechanism nor any special excise tax which would operate as a disincentive to find such resources.
- Second, gas currently flowing and under price controls should have such price controls phased out, perhaps over a 36-month period.
- Third, a special excise tax, not to exceed 50%, should be enacted on the difference between the controlled price of current production and the decontrolled price, with such tax taking effect at each step of phased decontrol. (This feature probably will also not make us popular with some of our friends in the oil industry.) This tax would contribute substantial new revenues to help close the budget deficit.

Clearly, the impact caused by decontrol of natural gas is minimized when, as is now the case, more than adequate supplies of crude oil are yielding declines in the price of petroleum products.

In summary, what we are proposing is a rededication to the objectives of lower taxes, a stronger military, a strengthened free market, and a program which would bring lower interest rates.

At the same time, we are suggesting that the timetables and levels of expenditures and tax collections be reviewed in light of a projected budget deficit and interest rates which could jeopardize the achievement of these objectives and cause politicians interested in short-term gain to propose programs that would set back the achievement of these objectives for many years.

We hope that these suggestions will be viewed in a constructive light.

Mobil

and doing his constituency a terrible disservice. Besides, I'm sure I can show you ads that the politician would support."

The audience for op-ed is diverse, but mainly composed of "opinion leaders," educators, politicians, columnists, reporters, and sometimes even the President. During the debate over sale of AWAC aircraft to Saudi Arabia in the Senate, Mobil stated in an ad the importance of doing business with the Saudis.

One reader suggests that the ads seem to be directed at a Saudi Arabian audience. Schmertz disagrees: "Believe it or not, our motivation was what was good for the United States."

Ads will be directed towards stockholders and employees sometimes.

Though op-ed's are directed at an audience that probably already has its ideas formed, Mobil doesn't ignore those whose ideas are in formative stages. The number of people who neither agree or disagree with Mobil is huge, says Schmertz; they approach the company's arguments on their "merit."

These readers are reached through the "Observations" columns as well as op-eds. "Observations" soft peddles the same ideas presented in op-eds: the reader is given a mellifluosly worded statement on the failure, for example, of the networks in covering the energy crisis. Cartoons by *New Yorker* cartoonists hired on a free lance basis appear with the text — and the pieces conclude with a quasi-Ripley's "believe it or not" factual nugget on some facet of the oil industry.

Art work is an important part of the column as well, although Mobil research has found that readers are less likely to read it if the art portrays an oil derrick or some technological wonder. To make it more accessible, children and natural scenes are frequently portrayed.

Op-eds and "Observations" share roughly five basic themes: free-market economics, opposition to flexible price controls, the need for corporate media access, conservation balanced with the development of energy resources, and other energy topics. Current major themes include de-control of natural gas and relaxation of the Clean Air Act.

How it works

Op-ed is the soul of Mobil's media operation, with the exception of its public tv efforts, which Mobil administers separately.

One op-ed ad decried tv's failure in covering the energy shortage and produced a Media Institute report that elaborated on the failure. An "Observations" column then offered a general analysis of the problem of media coverage.

Op-eds reflect the news. During the lengthy debates on budget modifications and the controversy over

Mobil was irked by the networks' report on third quarter profits of the oil companies in 1979. Brief statements on huge profits tended to support a general public impression on the venality and greed of the seven sisters. Mobil was not mute in its unhappiness, as "The impossible freedom" demonstrates. But the networks, not surprisingly, refused an ad on tv's profits.

Says Schmertz on the networks and their "fairness" policy: "You can go in there and talk about the virtues of John Maynard Keynes versus Adam Smith in an ad and they'd take that. But go in there and talk about the need for nuclear power or off-shore drilling or anything contemporary or contentious — and its a joke."

The impossible freedom

In the world of network television, even the news departments lean on the tired crutch of the rerun—their answer is always "no" whenever we attempt to purchase air time to rebut attacks or misrepresentations. The loser is the viewing public.

The latest case in point involves the reporting of our third-quarter earnings, which we felt left the viewer with false and misleading impressions. We sought to purchase air time to respond, and, as usual, we were turned down. So we ran two full-page messages in newspapers to attempt to set the record straight—a record that had been distorted on the air. We would have much preferred to have it corrected on the air. But the issue is really much broader than this latest incident. The real issue is access to the airwaves—access that has been denied to us and to others many times in the past.

In its news account of the current incident, *The New York Times* quoted one network spokesperson as saying: "We don't sell time to any special-interest groups of any shape or color." The stated reason: unfairness to groups unable to afford to buy time. But what about unfairness to individuals or institutions, rich or poor, who suffer unjust attacks or are otherwise misrepresented on the air? They simply have no recourse. In the name of freedom of the press, network TV has succeeded in whittling away at freedom of speech. And in the name of the poor, nobody has access to television. If poverty is the real problem, it would be far better to devise a way to provide access for everybody.

The *Times* also quoted the network spokesperson as saying: "It's not easy for anyone to plow through the thicket of an oil company's accounting." Inadvertently, she put her finger on one of the major problems of TV news, namely, the structure of the medium.

Time is a major constraint on television, and in half an hour, the news shows have to cover 10 or 12 major stories, "headlines" of other stories, and an essay by the network commentator—and still leave time for commercials. No less an authority than Walter Cronkite has conceded that this "hyper-compression" leads to "distortion." At the same time, the networks usually employ generalists able to cover any story with seeming coherence, rather than specialists who really understand complex subjects. And, since the networks are basically in the entertainment business rather than the news business, even the news shows compete for ratings. As the result of all these factors, TV news simply cannot cover complex issues thoroughly enough to help the American people make crucial decisions on vital issues.

One network told us it was their "general policy . . . to sell time only for the promotion of goods and services, and not for the presentation of points of view on controversial issues of public importance." They added their belief that "the public will best be served if important public issues are presented in formats generally determined by broadcast journalists." Theirs, of course.

How is this consistent with freedom of speech? It isn't, not when the accused or the criticized has no access for a response. We repeatedly have offered to pay twice the going rate for air time, and to let the networks select anybody they chose to present an opposing view. Again, no takers.

We even offered to restrict our comments solely to the correction of errors made by broadcast journalists, so as not to interfere with the network control of their news format. Once more, rejection.

In our view, the time for remedy is long overdue. Television's absolute control of the news is an impossible freedom, in the sense that it leaves too many Americans either uninformed or misinformed, and those attacked with no means of defense on television. Some way must be found to open the airwaves to all shades of comment and yes, even to controversy. Television broadcasters, after all, are licensed to operate the public's airwaves, so in a sense they work for all of us. They should, therefore, have an even greater obligation than newspapers or magazines, which are unlicensed, to permit all shades of opinion to be heard.

The print media permit access through various means—letters to the editor, guest columns, free-lance journalists, and even advocacy advertising. What's needed on television is a process of innovation and reform that will permit this same flow of ideas.

The reform process should arise from television itself, to head off the danger of reform by government edict. Moreover, such reform should come quickly, because a free flow of ideas is essential to a free society. Without access to the airwaves, the flow of ideas becomes sharply reduced, and all Americans are the losers.

Mobil

Don Stroetzel, manager of communications programing, Mobil

defense spending, Mobil issued its own proposals entitled "Refocusing the debate." This is essential to the success of the campaign, according to Don Stroetzel, manager communications programs, whose professorial appearance belies his central role in Mobil's controversial advertising.

The news "pre-sells" the op-ed themes. One example Stroetzel points to was President Carter's accusation that Mobil is irresponsible." Carter inadvertently operated as a press agent for the company — headlines were created and news writers studied Mobil's response entitled, "Sorry Mr. President, you've been misled."

The public relations operation is set up much like a weekly news magazine. Five editorial writers hired away from publications like the New York *Times* and *Time* Magazine (Stroetzel himself was an editor on the now defunct *Pathfinder)* coin ideas which are then submitted to Don Tuckman, who operates somewhat like a managing editor. He sifts through each and decides which ones to develop. Ads that get the go-ahead are then written — in tandem with the research department.

Research's role is elemental in the process, says Stroetzel. Indeed, Mobil has a research facility many newspapers would covet. Called Secretariat, Mobil has instant access to thousands of articles on the energy situation and related subjects that appeared in major national dailies.

Judith Moncrieff heads research. With a back-up staff, she screens each ad for factual errors or inconsistencies.

No strict deadline is put on submission of written copy though most are written by Friday, researched by Monday, and submitted for top brass approval by Tuesday. If there are objections, the columns are sent back and revised according to specifications. By Wednesday, the ad is ready, sent to Doyle Dane Bernbach for trafficking, and the New York *Times* prints it the following day.

Often ideas for the ads come from the executive suite. These suggestions — not surprisingly — have priority. The role of the company's directors in the entire p.r. program is elemental. Says Stroetzel, "Rawleigh Warner personally approves every ad that goes into our program. The important thing

At 26, Tom Gregory became the Director of Client Services at The Saddlebrook Corporation. You better make sure he has your input.

Tom Gregory, age 27. Harvard Business School graduate 1977. As Director of Client Services at The Saddlebrook Corporation, a leader in minicomputer-based financial planning and control systems, he's one of the youngest business powers in high technology today.

With more colleges than any given area in the United States, Boston can attract more young people, and thus, share in the onset of more important new careers than almost any other city.

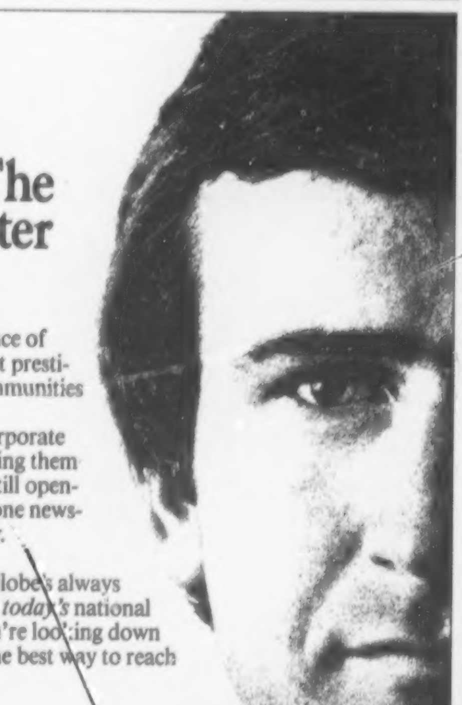
Unfortunately, exceptional young adults like Tom Gregory may not stay in Boston forever. But no matter where they go, they'll be industry leaders with strong, established and influential opinions, and the experience of working in one of the most prestigious high technology communities in the country.

If you tell them your corporate story now, you'll be reaching them while they're still young, still open-minded, and still reading one newspaper more than any other.

The Boston Globe.

In New England, The Globe's always been the best way to reach *today's* national opinion leaders. But if you're looking down the road as well, it's also the best way to reach the leaders of tomorrow.

Tell your corporate story in
The Boston Globe
A wholly owned subsidiary of Affiliated Publications, Inc.
A Million Market Newspaper.



Tony DeNegro, manager media programing, Mobil

is that management is sympathetic to the program. They are willing to devote time to it on a priority basis. If you don't have that, you can't have a decent advocacy program."

The presence of Herb Schmertz on the sixth floor is testament to this. Also a director of the corporation, Schmertz operates like a weathervane for Mobil's ideology. Schmertz decides what Mobil ultimately will show the world, after Warner and President W. P. Tavoulareas. By using this structure Mobil ensures that the board's opinions will not be at variance with what public relations is to say.

"Mixing the diet" is another thrust of the op-ed campaign. Mobil rarely harps on a single topic for more than two weeks in a row. If a follow-up is planned, a roman numeral "I" is used meaning that number II is on the way.

Getting a fair shake

Mobil's on-going and vociferous battles with the networks will no doubt be written into the history of the medium. These days, though, the combatants have laid down their arms. Mobil thinks it's getting a fairer shake from tv reporters. In the past, if a reporter tweaked Mobil or erred in his or her reporting on the oil industry, Herb Schmertz would ride down on the individual like a herd of wild elephants. A much publicized ad on "hatchet jobs" the oil industry received in a news series turned into a hatchet job on the reporter.

The networks, perhaps in response to the numerous *ad hominen* attacks rained down upon them, have steadfastly refused to air any Mobil ads bearing on any subject of the slightest controversy. The nets argue that the Mobil ads would prompt replies from those seeking free time.

To test this, Schmertz once offered

85.9%

When you're a BPA audited book, and we are, it's the percentage of "personal written request by recipient" that counts.
Our 85.9% is the highest (by far) in its field. So is our 87.3% qualified recipients within the most recently measured 12 months. That's proof positive of reader demand.
But there's more to it than that.
Can we tell you about it?

Marketing & Media Decisions • 342 Madison Avenue • New York, NY 10017 • 212 953-1888

to pay for any time that the opposition demanded. The networks refused. Mobil once submitted what was internally referred to as the "ultimately bland ad": It showed an aerial view of a beach with a voice-over asking viewers to write in if they believed off-shore drilling should be allowed. The networks refused the ad.

Then in 1977 the company hit on the idea of by-passing the networks by creating its own. *The Mobil Showcase* was born.

Tony De Nigro, manager of media programs, approached SFM Media Corporation to arrange station clearance for the first series production, *Ten Who Dared*. Since then, the Mobil Showcase has featured eight productions for commercial tv. They included *When Havoc Struck*, *Edward the King*, *Edward and Mrs. Simpson*, *Summershow*, *Churchill and the Generals*, *Why Didn't They Ask Evans?*, *The Seven Dials Mystery*, and *The Children's Story*, which ran in February of this year. Mobil's big production for 1983, *Nicolas Nickleby*, will be in four two-hour segments.

Two to three minutes of advertising run in each show per hour, none of it for local sale. The program cost Mobil $3.5 million in clearance time in 1981.

A series of fables, which De Nigro claims was the original form of advocacy, beginning with Aesop, were produced for the Showcase presentations. Two and a half minutes in length, they are both eery and amusing. One features a group of feline creatures tasting food for poison before it goes onto the king's table. They gobble up everything before the king gets a chance to eat. Finally the cooks leave the country in frustration and the king shrivels up. The moral: over-regulation is destructive.

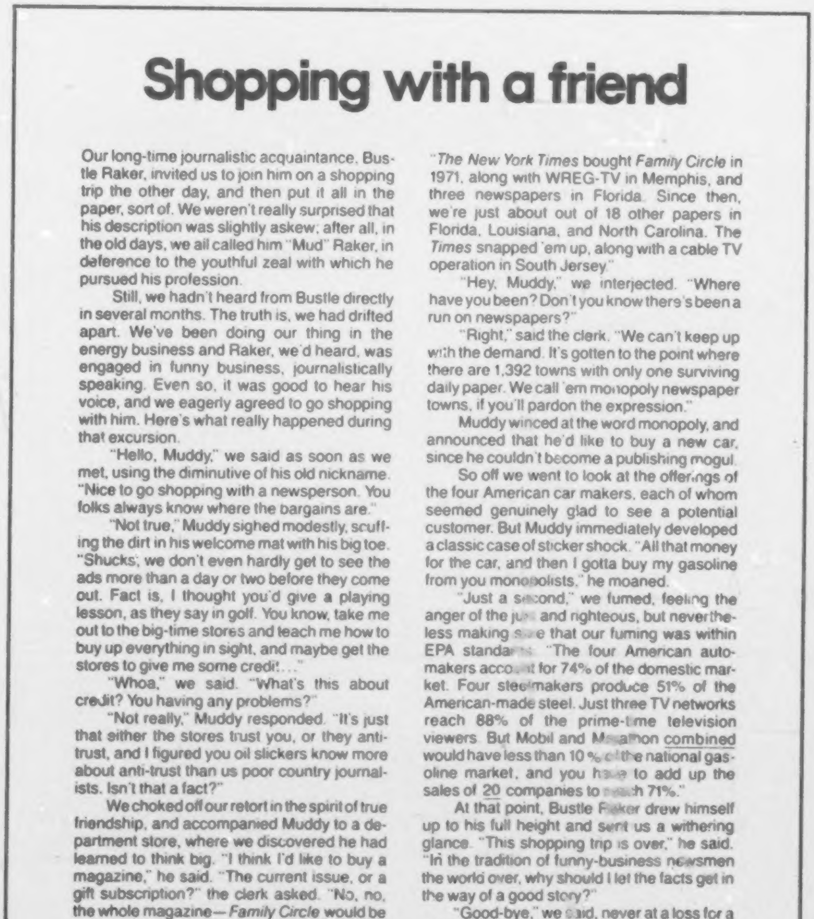
The "Mobil Information Center" ad campaign, like the Showcase, grew out of a grudge Mobil had against the networks. Says De Nigro, "It came up about two and a half years ago when we did a spot on our last quarter profits. The nets said our profits were obscene. We produced this spot which said we were making 5.5 cents per gallon of gasoline sold. We produced a commercial that said our rate of return was lower than that of ABC, CBS or NBC. They all rejected the ad."

This time the networks — without intending to — acted as press agents for Mobil. Several major dailies picked up the network rejection story and suddenly stations across the country called in saying they would be glad to run the spot, regardless of net policy. Mobil cherry-picked some stations and bought time on WPIX's Independent Network News. The ads ran five times per week. "Figures indicate that we are reaching 25 million homes per month," says De Nigro.

"These ads are not news casts," he says. "But we wanted to get a format for the ads that gave them the kind of credibility that you would see on a newscast."

Mobil pegged $2.6 million for the Information Center ads in 1981.

Verne Gay



Shopping with a friend

Our long-time journalistic acquaintance, Bustle Raker, invited us to join him on a shopping trip the other day, and then put it all in the paper, sort of. We weren't really surprised that his description was slightly askew; after all, in the old days, we all called him "Mud" Raker, in deference to the youthful zeal with which he pursued his profession.

Still, we hadn't heard from Bustle directly in several months. The truth is, we had drifted apart. We've been doing our thing in the energy business and Raker, we'd heard, was engaged in funny business, journalistically speaking. Even so, it was good to hear his voice, and we eagerly agreed to go shopping with him. Here's what really happened during that excursion.

"Hello, Muddy," we said as soon as we met, using the diminutive of his old nickname. "Nice to go shopping with a newsperson. You folks always know where the bargains are."

"Not true," Muddy sighed modestly, scuffing the dirt in his welcome mat with his big toe. "Shucks, we don't even hardly get to see the ads more than a day or two before they come out. Fact is, I thought you'd give a playing lesson, as they say in golf. You know, take me out to the big-time stores and teach me how to buy up everything in sight, and maybe get the stores to give me some credit..."

"Whoa," we said. "What's this about credit? You having any problems?"

"Not really," Muddy responded. "It's just that either the stores trust you, or they anti-trust, and I figured you oil slickers know more about anti-trust than us poor country journalists. Isn't that a fact?"

We choked off our retort in the spirit of true friendship, and accompanied Muddy to a department store, where we discovered he had learned to think big. "I think I'd like to buy a magazine," he said. "The current issue, or a gift subscription?" the clerk asked. "No, no, the whole magazine—*Family Circle* would be nice," Muddy offered. "Sorry," said the clerk. "*The New York Times* bought *Family Circle* in 1971, along with WREG-TV in Memphis, and three newspapers in Florida. Since then, we're just about out of 18 other papers in Florida, Louisiana, and North Carolina. The *Times* snapped 'em up, along with a cable TV operation in South Jersey."

"Hey, Muddy," we interjected. "Where have you been? Don't you know there's been a run on newspapers?"

"Right," said the clerk. "We can't keep up with the demand. It's gotten to the point where there are 1,392 towns with only one surviving daily paper. We call 'em monopoly newspaper towns, if you'll pardon the expression."

Muddy winced at the word monopoly, and announced that he'd like to buy a new car, since he couldn't become a publishing mogul.

So off we went to look at the offerings of the four American car makers, each of whom seemed genuinely glad to see a potential customer. But Muddy immediately developed a classic case of sticker shock. "All that money for the car, and then I gotta buy my gasoline from you monopolists," he moaned.

"Just a second," we fumed, feeling the anger of the just and righteous, but nevertheless making sure that our fuming was within EPA standards. "The four American automakers account for 74% of the domestic market. Four steelmakers produce 51% of the American-made steel. Just three TV networks reach 88% of the prime-time television viewers. But Mobil and Marathon combined would have less than 10% of the national gasoline market, and you have to add up the sales of 20 companies to reach 71%."

At that point, Bustle Raker drew himself up to his full height and sent us a withering glance. "This shopping trip is over," he said. "In the tradition of funny-business newsmen the world over, why should I let the facts get in the way of a good story?"

"Good-bye," we said, never at a loss for a searing riposte.

Mobil

Russell Baker, the New York *Times'* Pulitzer prize-winning columnist, is not sacrosanct in the eyes of Op-ed. This ad was prompted after a column by Baker jested about Mobil's attempted take-over of Marathon Oil Corporation. Explains Schmertz: "We wanted to be humorous. He had poked fun at us; so we decided to tweek him."

Mobil has barbed other columnists. For example, after Jim Ridgeway and Alex Cockburn of the Village *Voice* in New York parodied Mobil's op-ed in one of their columns, Mobil responded in kind by writing an ad that spoke of the exploits of Jim Valleyway and Alex Heartburn.

FINANCE

15 TOP MARKETING SUCCESSES 1981

The bull who walks by himself

The 'breed apart' concept affects everything that Merrill Lynch does — and is dramatically symbolized in advertising by its bull. They're the biggest and most innovative Wall Street firm during a period of great expansion and diversification among financial houses.

MERRILL LYNCH

John Fitzgerald, vp-corporate communications
Jim Walsh, advertising manager
John Steffens, sen. vp-director of marketing

Young & Rubicam

Merrill Lynch's famous bull ambles through a maze of haystacks. The glare of the sun on the amber hues catches this big, strong and confident animal's imagination. He espies a particular haystack. Digging in his hoofs, he searches for something. Therein lies a golden needle.

A second scenario: the bull visits a greenhouse. All is in luscious bloom, from exotic flowers to vegetables.

Jim Walsh, Merrill Lynch's advertising manager, chuckles as he describes the company's allegorical commercials.

He explains that the bull shoulders the weighty task of carrying a prestige image to potential investors not only in

television but also in newspapers, radio, direct mail and magazines — a $20 million effort that makes Merrill Lynch the largest advertiser on Wall Street.

Every Merrill Lynch ad portrays the stockbroker as being "a breed apart" from its competitors. It's true that Merrill Lynch is a leader on the street; from its vantage point of overwhelming national strength, the nation's largest broker is changing the way consumers save, invest and borrow their money.

First to seek broad base

Its leadership has historic origins. Merrill Lynch succeeded in bringing Wall Street to Main Street at a time when the practice of reaching out to a broad base of investors was considered lunacy by many. But founder Charlie Merrill did not think so. He had studied a 1939 Roper public opinion survey, showing wide distrust, disinterest and misunderstanding of the financial markets. Some even thought the Stock Exchange was the place where butchers bought pork chops.

Based on the Roper research and a new study ordered by Merrill that showed what the public wanted in a securities firm, Merrill began constructing a firm that would honor the customer's needs first. The new company introduced itself to the public with the first mass advertising known to the securities business. Most of its competitors still relied on social contacts to develop business.

The initial advertising was aimed to make Merrill's name known as the largest wire house and to gain acceptance of Wall Street in general. But there was an educational effort as well, encouraged by Merrill and implemented by long-time advertising director Louis Engel. Engel put out a series of famous educational ads and pamphlets, teaching people how to invest intelligently. Current ad director Jim Walsh has one of those ads hanging framed in his office.

Merrill Lynch's new policies drew national attention, and before the end of 1940, more than 12,000 new accounts were opened on a base of only 50,000 customers. M-L now has 3.3 million customer accounts.

New diversity of services

But Merrill Lynch has not remained content with commissions earned on the sale of stocks and bonds. Through innovation and aggressiveness, the company's thundering herd is being transformed from a securities operation to a financial services supermarket, attempting to wrap around its customers a wide array of financial services in the newly competitive arena, where traditional barriers between banks, insurance, trust and securities companies are tumbling down.

As these firms blend to form a consolidated financial services industry, Merrill Lynch looms large. The company has the largest money market fund, one of the most significant new financial tools of the seventies. Its popular Ready Assets Trust has over $23 billion in assets.

Another intruder on banking turf is Merrill Lynch's cash management account. When introduced in 1977, it was heralded as the most innovative financial product of the decade. What the cash management account offers is a combined margin account, money

Electronic marketplace at Merrill Lynch is equity trading center, one of its specialties.

The Merrill Lynch network

Merrill Lynch & Co. Inc. • The holding company for this worldwide financial services company.

Merrill Lynch Pierce Fenner & Smith • As the principal subsidiary, it operates within the realm of securities, investments and financing. Last year, it was divided into two separate groups.

Individual services

1) sale and purchase of stocks and bonds for individual investors
2) cash management account
3) individual retirement programs
4) mutual funds
5) money market funds
6) high-yielding certificates
7) tax investment programs
8) high-yield annuities

Capital markets

1) investment banking for corporate, institutional and government clients
2) trading in government securities
3) sale and purchase of commercial paper, certificates of deposit and banker's acceptances
4) over-the-counter trading
5) equipment and real estate financing investments
6) financing for corporations, financial investors and high net-worth individuals

Merrill Lynch Commodities • Facilitates the trading of precious metal, financial instruments and energy futures

Real Estate and Insurance Group • Merrill Lynch provides mortgage protection life insurance sold to homeowners. Through acquiring a number of real estate firms, Merrill Lynch has become the nation's largest corporate owned residential real estate firm. The real estate group also handles commercial and industrial brokerage. Its relocation management operation helps to find housing for transferred employees. Its real estate financing arm provides short-term funds at competitive rates.

market fund and Visa card with check-writing privileges for investors with a deposit of $20,000.

Even though they grumble, arch rival bankers stand in awe. In an often-quoted remark, Walter B. Wriston, board chairman of Citibank, tells what he thinks the bank of the future should be: "Don Regan runs it and it's called Merrill Lynch." Regan is former M-L chairman who became secretary of the U.S. Treasury.

As Merrill Lynch experiments with more and more financial services, it has also entered the insurance, real estate and mortgage businesses, and is handling executive relocations as well.

These are separate subsidiaries, but within Merrill Lynch Pierce Fenner & Smith, the traditional securities operation, still further diversification groundwork has been laid. Last year, MLPF&S, the principal subsidiary, was reorganized to go after two segments of the investing market: individual and institutional investors. The idea is to break away from its strong retail image on the individual side of the business and to come to the fore as a professional, high-quality corporate investment banking firm.

M-L made a major step in that direction by acquiring the securities firm White Weld in 1978, which is prominent in investment banking.

In branching off into capital markets from its strong retail base, Merrill Lynch is straddling more markets than most other brokers. It goes a step beyond brokers such as Goldman Sachs, Solomon Bros., and Morgan Stanley, which hone in on the corporate market, and others like Paine Webber, Bache and E.F. Hutton, who cater to retail customers.

The rapid diversification, led by forward-thinking Don Regan, the chairman who left Wall Street to run the Treasury Department has been so far-flung over the past decade that now only 30% of income comes from commissions on sale of stocks and bonds.

But in this new arena of financial growth, some wonder if Merrill Lynch can keep up the pace that has established its innovative reputation.

Close behind M-L is Prudential, the nation's largest insurer; Sears, the largest retailer; and American Express, the largest travel-related company. Prudential bought Bache; American Express grabbed Shearson; Sears got

Dean Witter — all with the intent of going after the business of the well-heeled investors Merrill Lynch has pinpointed. John Steffens, M-L's vp and director of marketing to individual customers, is not worried: "We see lots of people copying our diversification moves. But we have been developing ours over a ten-year period, so we are further along in understanding the pluses and minuses of going about it," Steffens says.

"It has been the attitude of this firm not to accept things as they are but to try to view them as they will be. If you look at Charlie Merrill bringing Wall Street to Main Street and Don Regan's establishment of our diversification effort, and then you look at what we have done to implement that, I think you would have to say that we are more marketing driven, that we have spent more time thinking about the future," he told us in his expansive offices with a panaromic view of Wall Street and New York harbor.

Such leadership has spun into a powerful force almost impossible to unseat.

"There is a power in being first," says John Fitzgerald, M-L's vp-corporate communications, a newly created position on the holding company level. Fitzgerald, who describes himself as keeper of Merrill Lynch's image is in one of three posts reporting directly to the president. He explains that by being first, Merrill Lynch establishes customer loyalty and, in turn, profitable long-term relationships.

Fitzgerald, who has moved up the Merrill Lynch ranks primarily with marketing responsibilities, sees the going getting tougher.

"Twenty-five years ago, we had a free hand in some market segments. No one else, for example, was interested in the middle income market. But now a number of strong, financial competitors are entering the financial services arena and we are going to have to be on our mettle to hold our leadership spot," he maintains.

An objective: to be separate

There are already subtle signs that Merrill Lynch has stepped on the gas to continue its climb to the top in all financial markets. Its easily recognized "Bullish on America" advertising slogan has been beefed up.

New communications chief

When John Fitzgerald is asked why he was chosen to head up Merrill Lynch's newly created corporate communications function, he answers that he simply was the one who raised his hand.

It really was a lot more serious than that. Fitzgerald occupies one of the most prestigious spots in this giant Wall Street firm, a position that reports directly to the president. It is one of three positions with a direct pipeline to the president.

The reason the job carries such prestige is because Fitzgerald is responsible for carrying Merrill Lynch's image to the public. That is not an easy task as the broker expands to many businesses it has never been in before, such as real estate and insurance.

Fitzgerald says his major responsibility is that of "keeper of the image." He has been at it for less than a year.

"Merrill Lynch has achieved a quality image: that of high standards, honesty, fair dealing and integrity. And that reputation is one that has been growing over a long period of time. There is a possibility when you go into another business and that business is somewhat different from your core business, and it also has a different target market, there is a risk that it could harm your image."

"Let me give you an example," he adds. "If you are in the residential real estate business, which utilizes signs on somebody's lawn to sell the house, that could be considered tasteless by some if the sign isn't handled well. It is a different method of communicating with the public than the securities business. We have to ask ourselves if it is something that will react adversely to our other businesses."

In his overseer's communications role, Fitzgerald is setting up regular monthly meetings with all communications people so that those in real estate will know what is happening in commodities.

"We want to make sure that the messages going to the target market are not diluted in terms of the image Merrill Lynch has already created," Fitzgerald said.

Fitzgerald said he is right for this important, new task because of his strong marketing background at Merrill Lynch and knowledge of its new diversified businesses. He was the director of marketing services — assigned the specific task of reorganizing the securities firm into retail and capital groups. He was also instrumental in establishing a marketing services department for the retail side.

Advertising manager **Jim Walsh** says public opinion research showed that "what was lacking was that we were a first class firm, of stature and of excellence."

"When we did public opinion research we found that most thought of us as having great size, great financial strength, high confidence in the economy and in our capabilities," says ad director Jim Walsh. "What was lacking was that we were a first class firm, a high quality operation, a firm of stature and a firm of excellence."

A new series of ads was conceived to distinguish Merrill Lynch as not only the biggest but also the best. Under the direction of Ogilvy & Mather, the agency that created the highly successful "Bullish on America" campaign, Merrill Lynch's new slogan became, "There's lots of investment firms, but there's only one Merrill Lynch.

"That begins to differentiate Merrill Lynch from its competitors," Walsh says. "We felt that we deserved to be granted those attributes of excellence, so we thought that if we positioned ourselves that way in advertising, the public would apply those attributes to us."

Yet refinements continued. The ten-year-old relationship with Ogilvy & Mather was severed and a new agency, Young & Rubicam, stepped in with a fresh approach. Y & R conceived the current advertising slogan, "A Breed Apart," a concept that not surprisingly, has yet to capture as much public awareness as the "Bullish on America" campaign. The last time that Merrill Lynch used the bullish slogan was in 1976, but there is still over 90% awareness of the campaign.

"It just doesn't seem to go away and we don't want it to," Walsh adds. "It's really a phenomonen."

Tv is image-builder

With an $8 million budget out of the total $20 million outlay for overall advertising, Merrill Lynch's "breed apart" carries the job of maintaining and developing the firm's image. Within that television campaign are subtle references to product-related services.

For example, when the bull unearths the golden needle, the message is the quality of Merrill Lynch's securities research effort. Merrill Lynch has been respected for several years as having the best research department on Wall Street, and by a substantial margin, according to annual selections made by *Institutional Investor* magazine and also *Financial World* magazine.

"Our product really is research. You can't get a better share of IBM at Merrill Lynch than you can get at E.F. Hutton. The attribute that you add is the quality of the research that directs you to it," Walsh explains.

Another Merrill Lynch first: its decision to turn to television advertising to broaden its exposure in 1970. The ads supported M-L's widely scattered network of offices, and other brokers soon followed the leader. Now, Merrill Lynch finds that it has to strive for exclusivity in its sports and news programing buys.

Most of the buys are network television, but the stockbroker also employs spot television in a 50/50 co-op split with retail offices. The co-op also includes, for the first time, radio commercials — each 50 seconds with 10 seconds additional for a local tag spoken by the stations' announcers.

Print ads sell "products"

Print advertising, which accounts for $3.5 million of the $20 million budget, is built around specifically targeted product ads. The cash management account, for example, is promoted in spreads in all major business publications and news weeklies. International capabilities are promoted through major news and business publications in the Middle East, Japan, Great Britain, Germany and Latin America. The commodities subsidiary uses major business and institutional investor publications as well as commodity magazines.

Every print ad promotes corporate image, corporate benefits and the product. "What we are doing is classic marketing — striving for the perceived need of the consumer by the consumer," Walsh says.

"Say you are a burgeoning investor. You are a two-income family household. You are doing very well but you really want to use this opportunity while you're doing well to build for the future. We can assist you in that.

"In addressing the product itself, what we are saying is that we have the best services, the best cash management account and the best research."

Print media is split into magazines that reach the trade, and those that reach the retail customers. In advertising to the trade, Merrill Lynch uses *Pensions & Investments Age*, *Institutional Investor* and *American Banker*. Some books overlap in retail and institutional markets, such as *Fortune*, *The Wall Street Journal* and *Business Week*.

The two segments of the market once were addressed uniformly. But as Merrill Lynch realized that it was really serving two distinct markets, it separated out the corporate ads. That was done only after years of building up investment banking capabilities developing research, block trading and development of its sales forces. Institutional markets recently were further separated from retail last year, when Merrill Lynch reorganized to focus more specifically on the needs of both markets.

John Fitzgerald, who was instrumental in the reorganization, explains that overwhelming marketing reasons drove it to the new structure.

"We kept this overpowering image as a retail firm," Fitzgerald says, "even long after we became a powerful institution. The institutional inves-

John Steffens, marketing director, who sees to it that Merrill Lynch is "all things to some investors."

tors tended to think of us as a retailer for too long.

"Our kick-off institutional advertising campaign is intended to say to the investor that we are really alive in this arena."

The most significant new print ad seeks to position Merrill Lynch as the marketplace for money.

John Steffens, who's in charge of marketing financial services to Merrill Lynch individual investors, calls the new ad "right on target with what we're attempting to do and how we are attempting to position ourselves."

Aside from print and television efforts, Merrill Lynch spends approximately $3.5 million in direct mail, and the balance of its $20 million budget in co-op and special events, which cover its commitment to Public Broadcasting and major hospitality facilities at the Los Angeles Golf Tournament.

90% of business from 10% of investors

Merrill Lynch has definite reasons for targeting its advertising very specifically.

"One of the oldest saws in the advertising business is that 20% of the beer drinkers drink 80% of the beer. It's true of practically every product. Everyone would love to capture the 20% and ignore the 80%," says Walsh. "In our case the ratio is even more compelling. It's 10% doing 90% of the investing. We definitely want to increase our penetration against the key investor market and this will be reflected in new ad plans.

"And we are doing a lot of things to accomplish that. If they perceive that the quality of the product merits their attention, then we'll get the business. The cash management account, for example, has a $20,000 entry fee. It acts as a screen so that those who open one up tend to be higher up on the economic scale.

"Everything that we do can be regarded as contributing to acceptance by the wealthy. It stands to reason that the well-off investor is going to appreciate the research effort more than the less well-off investor."

But Walsh maintains that M-L is not ignoring the smaller investor. One group the company is interested in is "the threshold investor — the burgeoning affluent person who is a product of his or her own success and endeavors. They already have a second car, a color tv, time and money for vacations."

While Merrill Lynch once reached out to all investors, the new Merrill Lynch is striving to offer particular values to all investors.

Many of the M-L investments are designed to appeal to a wide variety of customers. For example, Merrill Lynch Individual Retirement Accounts are some of the most flexible in the business. Merrill Lynch will manage the money or the investor can self-direct investment of the fund.

Although the cash management account requires an initial outlay of $20,000, other investment tools require lesser amounts down to as little as $1,000.

Emphasis on service at the retail level

At the retail level, Merrill Lynch added customer service departments in an effort to serve both large and small investors better.

The retail service is based on interviewing investors when they come into Merrill Lynch offices. First step is to obtain a profile of their needs. For example, if the investor is retired and conservative, then he will be matched with a broker who has experience dealing with conservative investors.

The system also cuts costs. If a person comes in to sell five shares, the customer service department handles the transaction to avoid wasting the broker's time.

Steffens sees this type of marketing innovation as essential: "In an environment of increased competition, it's going to become critical for firms in this business to understand their customers, to understand what delivery systems best accomplish that and finally to know how to price those products so that customers are going to be interested in purchasing them."

Rebecca Fannin

Merrill Lynch
Merrill Lynch Pierce Fenner & Smith Inc

It's in VOGUE®
The book women live by.

FRANCHISING

15 TOP
MARKETING
SUCCESSES
1981

The mammoth, marvelous, money machine

The giant of fast food franchise has stayed on top through unswerving foresight, franchise innovation, product consistency, and a third of a billion dollars a year in advertising. Despite its awesome 6% share of total U.S. meals-away-from-home, the 1980's promise to be the toughest decade yet for McDonald's. But observers say the company is well-positioned to stay on top.

McDONALD'S

Fred Turner, chairman

Leo Burnett

A "grilliant" performance.

Over the past 27 years, McDonald's has parlayed 1.6-ounce ground beef patties—3 5/8 inches in diameter—into a multinational industry and an American tradition.

McDonald's has revolutionized not only what people eat but where they eat it. And, for better or worse, it has been a catalyst in overhauling the landscape of the nation's cities, suburbs, rural areas and highways.

While hamburgers and fries are two of its most important entries, McDonald's success story has a lot more to it than what meets the mouth. It's really a tale of foresight, franchising innovation, mass product consistency, advertising muscle, demographic synchronization, effective trademarking and management excellence.

Ask any McDonald's official about the ingredients of the company's marketing casserole, however, and you'll get a response that's as unvarying as a Big Mac. "McDonald's takes the hamburger business more seriously than anybody else," you're told.

McDonald's
OVER 40 BILLION SERVED
DRIVE-THRU

And if that doesn't quench your curiosity, Hamburger Central (the official nickname for the company's Oak Brook, Illinois headquarters) will be glad to fry up a healthy heapin' of its other war hoop: "Q.S.C. and V." (quality, service, cleanliness and value).

Regardless of whether McDonald's success was stimulated more by its philosophy than by the hard realities of shrewd business decisions, the company has evolved into a mammoth, meaty money machine.

In 1981, McDonald's 6,700 company-owned, franchised and affiliated restaurants (of which approximately 1,200 are foreign-based) generated $7.13 billion in sales. Approximately 19% of all sales came from international units.

Company-owned restaurants produced $1.9 billion in revenue in 1981 and rent and royalties from franchisees added another $561 million to the corporate coffers.

Also last year, more than half of all McDonald's locations had sales topping $1 million. (The $2 million mark was cleared by 109 units.) Its system-wide advertising outlays were almost a third of a billion dollars.

In the profusion of numbers cranked out in the eight-story innards of Hamburger Central, even trivia buffs have something to nibble on. For example: each year a half-million steers are converted into McDonald's hamburgers — of which the company sells about one billion every three months.

Among other seeds of trivia on McDonald's bun of life: it takes the equivalent of 300 square miles of forest to keep McDonald's restaurants stocked annually with paper products. And the golden arched goliath is the nation's biggest buyer of processed potatoes and fish.

Despite the bubbly statistics and McDonald's awesome share (about six percent) of the nation's total meals-away-from-home volume, the company now faces a decade that appears — at first blush — to be a lot less fertile than the boom days of the 60's and 70's. And the $64,000 question for McDonald's in the 1980's is not "when will the company pass the 100 billion hamburger mark?" but, rather, "will it be able to develop new formulas to achieve real growth in a reformulated marketplace?"

Pressures that will probably force McDonald's to get out of the "auto pilot" mode and do some fancy marketing maneuvering are already beginning to bear on Hamburger Central. Increasing saturation in the fast food field and the diminishing ranks of the under-20 population — which has been McDonald's stronghold — are two of the potholes that the burgermeister will have to skirt.

Then too, chubbier beef costs and a trend toward "lighter" foods have put a dent in America's love affair with the hamburger. Recent Census Bureau figures show that the average American's annual diet included 10% less beef and 20% more chicken than ten years ago.

But, if anything, the odds are with McDonald's. Considering the company's smooth journey during most of its 27-year history, it's conceivable that Lady Fate, herself, is a McDonald's franchisee.

Although "McDonald's: The Corporation" had its start in 1955, "McDonald's: The Concept" dates back to the late 1940's with the San Bernadino, California, hamburger stand of Maurice and Richard McDonald. The brothers had emigrated from New Hampshire to Hollywood in the 1920's to work behind the scenes in a movie studio.

In 1932, when it became apparent that their cinema roles were limited to moving props and driving trucks, the McDonalds took the entrepreneurial route and bought a floundering movie theater. Seven years later they chucked the flicks altogether and opened a San Bernadino barbecue restaurant featuring ham, chicken, beef and pork.

Not content with the consistency and profit potential of their menu, Maurice and Dick temporarily closed the barbecue stand in 1948 to reformulate their offerings. When they reopened later that year, their octagonally shaped drive-in featured a streamlined menu of 15 cent hamburgers, 10 cent fries and 20 cent shakes.

Fred Turner, chairman of McDonald's

Vittles aside, what made the transition from barbecue to burgers significant was the McDonalds' development of a simplified operation that produced consistent and inexpensive meals, quick service and minimal overhead per customer served.

The success of the McDonald brothers' new formula was reflected by the eight five-spindled milk shake mixers that were soon needed to serve that one stand's lunch hour traffic. This veritable arsenal of shake machines didn't escape the attention of the man who made a living selling them for $150 apiece — Ray Kroc.

A former radio station music director and paper cup salesman, Kroc ventured from his Chicago office to the McDonalds' San Bernadino stand in 1954 to satisfy his curiosity. He returned to the Windy City with a ten-year franchising agreement (later changed to 99 years) that gave him 1.4% and the McDonald brothers .5% of the gross sales generated by the McDonald drive-ins he would license for an initial fee of $950. (The current licensing fee is about $325,000 per unit.)

McDonald's
McDonald's

Big M symbolizes ubiquitous McDonald's hamburger restaurants whether at roadside or in the broad mix of major advertising media used.

Ironically, Kroc had visions of shake machines — not Ronald McDonalds — dancing through his head when he hammered out the deal with Maurice and Dick. Reasoned Kroc: if the McDonald brothers' store used eight machines, he could create his own huge mixer market by duplicating the San Bernadino drive-in around the country.

The first McDonald's location arranged by Kroc was in the Chicago suburb of Des Plaines. Although his original agreement with the McDonald brothers prohibited his ownership of any outlets, Kroc was, nevertheless, part owner of his venture's first unit along with Chicago contractor Art Jacobs. It opened on April 15, 1955. (See box on the inaugural store's first manager.)

Within a few months, Kroc had lined up franchisees in Fresno and Reseda, California. Total volume in 1955 was $235,000.

All told, Kroc's network grew to 12 outlets by the end of 1956. He opened another 25 drive-ins in 1957. The 200th Kroc-inspired McDonald's was unveiled on August 30, 1960 in Knoxville, Tennessee.

McDonald's evolution into a real estate power was engineered by Harry Sonneborn, who joined Kroc in 1955 after an administrative stint with Tastee-Freeze. In 1959, Sonneborn — who ultimately became corporate president — arranged a $1.5 million loan that allowed Kroc and company to buy and operate their own McDonald's stores. (In 1960, an existing McDonald's franchise was bought in Torrence, California, and the first company-built store opened in Columbus, Ohio that year.)

Among other financial accomplishments, Sonneborn was also instrumental in turning McDonald's into a landlord when he, along with Kroc, operated under the banner of the Franchise Realty Corporation beginning in 1956. The basic thrust of FRC was to persuade a property owner to lease his acreage on a subordinated basis to FRC for a McDonald's store, while FRC would hold the mortgage on the building itself. In that way, FRC generated additional income through rental fees to some of its franchisees

Sonneborn also played a hefty part in putting together the $2.7 million package that allowed Kroc to buy out Dick and Maurice McDonald on December 28, 1960. The newly formed McDonald's Corporation acquired the McDonald's name, trademarks, the brothers' formulas and copyrights.

With more than $200 million in system-wide sales, the company went public in 1966. That same year, Ronald McDonald made his national debut in Macy's Thanksgiving Parade and the first McDonald's with inside dining facilities opened in Huntsville, Alabama.

In 1967, McDonald's put the finishing touches on a program that has since

Recollections of the first manager

April 15, 1955.

It was a low-profile start for a company that now embellishes its burgers with promotional hoopla and media megabucks. But Store #1 in Ray Kroc's eatery empire-to-be opened without any advertising fanfare in the Chicago suburb of Des Plaines.

Marketing & Media Decisions talked to an eyewitness of the McDonald's Corporation's beginnings: Ed MacLuckie, who was the Des Plaines store's original manager. Raised in Des Plaines, MacLuckie left the inaugural location in 1957 to open McDonald's franchises in Lansing, Michigan. His holdings, which were sold to McDonald's in 1980, included four stores in Michigan and four in Florida.

According to MacLuckie, the first store (co-owned by Kroc and Chicago contractor Art Jacobs) was located on a heavily traveled north/south street about 2½ blocks north of the Des Plaines business district. Across the street from the red and white-tiled McDonald's facility was a Howard Johnson's restaurant.

"I didn't think it was the best location in the world, but that was their (Kroc and Jacobs) decision," MacLuckie said. The drive-in was open from 11 a.m. until midnight on Fridays and Saturdays, and from 11 a.m. until 11 p.m. the rest of the week.

Prior to the Des Plaines opening, MacLuckie had a two-week training stint at one of the California hamburger stands franchised by the originators of the McDonald's concept — Maurice and Richard McDonald. He returned to Illinois in mid-March, 1955 to help put the finishing touches on Kroc's fast food firstborn.

April 15th, recalls MacLuckie, was relatively uneventful.

"I don't remember anything unusual happening. We did pretty well, opened on time and did a decent job of taking care of the public. In fact, we were quite busy," said MacLuckie. The only headaches that day came from some malfunctioning milk shake equipment.

Since there was no advance advertising, initial traffic, explained MacLuckie, probably resulted from curiosity about the quality of a 15¢ hamburger. "There was virtually no promotion. Just some signs in the store window that said we'd be opening. There was no newspaper or radio advertising," he added.

Kroc, recalled MacLuckie, would spend time at the store almost every day of the week. On weekdays, "Mr. Hamburger" would arrive at the location before 8 a.m., leave his car in the parking lot and walk over to the nearby train station for the commute to his downtown Chicago office. He'd spend all of Saturday and part of Sunday at the drive-in.

"Kroc would always be in the back room. I remember him scraping out ketchup cans," said MacLuckie. "He didn't spend too much time behind the grill. He might take a few buns off the grill, but he was apt to do almost anything that had to do with cleanliness."

made the company a heavy-duty national advertiser.

McDonald's Operators National Advertising Fund (OPNAD) was brought to life in 1967 by Paul Schrage, who then handled the McDonald's account for D'Arcy Advertising and later joined his client as chief marketing executive. In theory, OPNAD is a voluntary arrangement that gives McDonald's operators the option of contributing a percentage of gross sales for national advertising purposes. (In practice, say some franchisees, OPNAD contributions have been made mandatory by Hamburger Central.)

Some 40 billion hamburgers after Ray Kroc opened his Des Plaines store, McDonald's now stands as the nation's leading restaurant organization and top franchiser. Here's how some of its components stack-up today:

Facilities: of the 6,739 McDonald's restaurants in operation at the end of 1981, 68% are franchised, 26% are company-owned and 6% are affiliated (i.e., McDonald's Corporation is a part-owner). In the recent past, the company has followed an expansion program of about 500 new outlets a year — with 2,561 restaurants added to the worldwide system between 1977 and 1981. (599 units were opened in international markets during that five year period.)

Drive-thru service introduced by McDonald's in 1975, is featured at 4,482 units. Company officials estimate that drive-thru business accounts for 40% to 45% of a McDonald's restaurant's total volume.

McDonald's Playland areas — boasting themes straight out of the company's Saturday morning tv spots — are featured inside or next to more than 970 restaurants.

It now takes about 115 days to build a typical McDonald's restaurant.

Franchising: a 20-year license for a McDonald's restaurant currently runs about $325,000, and that doesn't include the 11.5% of annual gross sales due Hamburger Central for rent and royalties. Franchisees who rent their locations for the corporation are nevertheless responsible for their location's maintenance, property taxes and insurance as well as all supply and labor costs.

Of the new franchise locations available each year, 50% to 60% go to existing licensees, 20% are assigned to new operators and the balance is kept by the corporation.

McDonald's owns the buildings and property of 62% of the system's U.S. locations and 30% of its international sites.

Advertising: McDonald's worldwide advertising outlays in 1981 were $322 million, or 4.5% of corporate sales. Its projected national advertising budget for 1982 through recently appointed Leo Burnett Company is $75 million (as compared to the $8 million spent nationally in 1970).

Local advertising is subsidized by

franchisee contributions equal to 3% of annual gross sales. The company's 170 operator co-ops are handled by approximately 100 advertising agencies, which — in turn — are supervised by one of McDonald's regional advertising managers.

In the recent past, McDonald's has spent more than 50% of its marketing budget on promotions, including last year's $10 million "Build A Big Mac" contest and its recent $20 million "Quality In The Bag" game.

The company reportedly spent $20 million last summer to promote a glass giveaway tie-in with the movie "The Great Muppet Caper." Promotions, said McDonald's ceo Michael Quinlan, are "a more cost-effective way of getting our message across to the public."

Products: While McDonald's menu still largely revolves around hamburgers and fries, the company is gradually rolling-out two non-beef entries: Chicken McNuggets and the McRib sandwich. Being reactivated after an unreceptive roll-out, is the McChicken sandwich, which has since been reformulated.

McDonald's breakfast menu, which accounts for about 18% of store sales, is being expanded with ham and pork sausage Biscuit Breakfast sandwiches.

Recent culinary casualites for McDonald's include the McFeast sandwich (similar to Burger King's "Whopper") and a chopped beefsteak sandwich.

McDonald's has a stated policy of testing new products for a minimum of four years before determining their fate. The company took almost twice that long to develop a viable chicken item.

To get a better perspective on how McDonald's has authored its success story, *Decisions* requested interviews with company officials. Our request was politely rejected — as has been the case during the past several years for other journalists trying to extract a comment or two from Hamburger Central. Our article, we feared, would be like a Big Mac without the special sauce.

So we decided to do the next best thing: talk to former McDonald's employees and close observers of the company. The comments that follow provide some insight into the strengths, quirks and potential of the world's most recognizable meal merchant:

Donald I. Smith (director of the School of Hotel, Restaurant and Industrial Management at Michigan State University and former ceo of Shakey's national pizza chain):

"McDonald's has no competition. They are uniquely different in the field. They are the best executioners, the best marketers. They do almost everything right. And if you don't, they will bury you. Anybody in the food business had better study them and what they have done.

"They are strong in the minds of the market. There are many, many parents who will tell you that the first words their children uttered while driving down the highway were: 'Momma, McDonald's.'

"McDonald's hasn't separated marketing from food services. What they've done is taken an intangible service and made it very tangible. They use the systems approach. The customer knows that when he gets in line there will be a hamburger waiting for him. And when he reaches the register, he will get his order within one minute.

"They have eliminated human judgment in the system of service. There is so much ketchup, so much onion that goes on a hamburger. And the product stays on the shelf only ten minutes before it's discarded. McDonald's is willing to waste food to give the customer clean, speedy service and a tasty product."

Bill Welter (senior vice president marketing of Wendy's International and former account executive on the McDonald's account for Needham, Harper & Steers): "I think McDonald's success formula is very simple. It's their dedication to operations excellence and the belief in the power of marketing. Since you're selling an experience, not a packaged good, operations have to be excellent. And, if you have marketing clout — in terms of your total tonnage of advertising — that, together with good operations, produce a winning combination.

"The market is different today than it was 20 years ago when McDonald's started their phenomenal growth. You just look at demographic trends, what people want today, and who those people are, and it's an entirely different story.

"The influence of children is not going to be as great in the decision to eat out as it has been in the past. There's going to be an explosion of the 35-plus people who are demanding, I think, a better value for what they spend. I don't care if it's a hamburger or a car or a shirt. That's a whole different approach to selling a hamburger than what was going on 10, 15, 20 years ago.

"If McDonald's is going to survive, they're going to have to do some things differently, as everybody's going to have to do."

Darrough Diamond (McDonald's national advertising manager during the mid-1970's, who is currently a marketing consultant based in Columbus, Ohio): "There was a lack of synchronization of advertising messages at the national and local level, fuzzing up the marketplace. There was also the prevailing practice of buying 50-second media spots without regard to the message being said. Often, McDonald's over-bought airtime, using 60-second spots for 30-second messages. The company was also far more interested in execution of advertising than in the strategy. That's why Needham, Harper & Steers was replaced by Leo Burnett. Needham wasn't strategically oriented.

Often, McDonald's would introduce a new product that required continuing market support (e.g. hot fudge sundaes) after the initial introductory promotion ended. That support wouldn't be there and the product would die out.

"I remember one new product fizzling out because Ray Kroc just blew it. Ray liked a new frozen dessert called Tripple Ripple. It was a three-flavored ice cream that came frozen. The idea was that when the customer ordered his meal he would order the Tripple Ripple. By the time the customer finished eating, the ice cream would have thawed enough to be eaten.

"But what Ray didn't realize was that people buy a meal, eat it and then come back and order the ice cream. People bought the ice cream, but it was frozen so it couldn't be eaten. Kroc was pretty heavy-handed trying to force the ice cream on the franchisees.

"McDonald's was willing to correct some of their mistakes and they always had money to overcome the ones they made. They start, though, from a strong base — bringing good value to the market and executing it with consistency and dependability.

"Kroc and Turner are smart. They will do what has to be done to succeed. Turner was one of the first chief executives in the restaurant industry to recognize that marketing plays an extraordinary role in the success of a restaurant food chain. In the mid-1970s, when other chains were cutting back ad dollars, he made the dollars available to maximize the creative message. He just kept pouring on the coals. There is a long-term, hard-nose commitment to marketing at McDonald's. They will spend a minimum of four percent of their sales on it.

"McDonald's will use 95 cents of every national advertising dollar for media. The remaining five cents go for production. Their competitors would take 70 to 75 cents from every national advertising dollar for media and put the rest into production.

"Historically, they put a larger share of money into media spending than their share of business represents. This way, they lead their own share growth. They are very aggressive and are greasing the skids for future business. As a result of all this, they appear to be a little bit bigger in the eye and ear of the consumer than they actually are."

John Blair (director of marketing research for Quaker Oats and chairman of the American Marketing Association's selection committee for 1982 AMA Achievement Award, which was presented to McDonald's this month in New York): "It's really kind of tough to get into the inner workings of any company to understand unique advantages that they might offer over other firms in that field. But when you stop and look at McDonald's, it becomes apparent that they've had highly effective communications programs over their competition all of these years.

"They've also had highly effective promotion, brand-naming and trademarking. I think they've done the best architectural job in their field. And they've maintained a quality of their product both through time and across geography that I think is truly exceptional.

"When you stop and think that you've got a whole bunch of local businessmen that you're trying to manage and offer a uniform product from area to area, it's truly remarkable what they've been able to do."

Richard Biederman (president of Richard Biederman and Associates, a Shawnee, Kansas-based marketing consulting firm for clients including Jack-in-the-Box, Hardees and Roy Rogers): "If you define marketing as just advertising, then I would say McDonald's isn't very successful. I don't believe their ads do anything for them except remind people that they are there.

"But if you define marketing in the broadest sense of the word, of putting together all elements of a business to entice people to come in and buy the product, then yes, they are very good at what they do. McDonald's is a good marketing company, but not the best.

"It is the best restaurant operation in the fast food category. They offer consistent prices, reasonable quality, quickly. They do it without magic or tricks. They have developed a better product and keep telling people why it is better. Then they deliver against that promise. They make what they claim happen in the marketplace. It is not a matter of money.

"Their strengths are in location and operations. They develop in the big metropolitan areas and get maximum efficiency of their retail units. The only problem they face is keeping up with changing consumer tastes, the desire for new, different and exciting foods."

A former multi-unit franchisee (who recently sold his stores to McDonald's and prefers to remain anonymous): I've been looking at possibly buying franchises with Wendy's, Burger King, Long John Silver's and others, and I begin now to appreciate more the strength of McDonald's.

"The others are loose compared to McDonald's in terms of restrictions and requirements. McDonald's requires the owner/operators, when they are franchised, to live within an hour's drive of the stores. It also requires them to be 100% McDonald's — not to be involved in other businesses at the same time.

"I look at some of these other companies and see that there are guys who own Wendy's stores as well as Long John Silver's, Pizza Huts and all kinds of things. They probably don't give the time, attention and detail to any one of those many different franchises."

Michael Culp (vice president senior restaurant analyst for E.F. Hutton in New York): "McDonald's typifies the kind of restaurant company that grew during the 1970s almost entirely as a result of physical expansion and inflation.

"That was a pretty easy way to grow for a long time.

"You had a wide open field in the 60s and in the early 70s with much less competition, a lot of suburban communities springing up where you could open a lot of stores. And on a small base it was possible for them to grow 20% a year.

"You also had a fair level of inflation in the country, which allowed McDonald's to pass on double-digit price increases to consumers at a time when consumers were just shell-shocked by price increases everywhere. They really didn't notice as much that McDonald's menu prices were taking the average check from $1 towards $3 very quickly.

"Now what you have is much more intense competition, much closer to a saturation point in the hamburger business in the United States. And you also have disinflation coming in, which means that McDonald's ability to expand physically has been seriously impaired.

"It looks to me as if they will grow about 7% physically on-average over the next five years instead of 15% to 20%.

"McDonald's will make it because it's spending a third of a billion dollars a year on advertising. But it's going to be a much, much tougher ball game for them than it's ever been before."

Steve Raddock

Steve Raddock is creative director of Patten Corp., a Detroit-area advertising agency, and a former assistant editor of Marketing & Media Decisions.

HEALTH/BEAUTY

15 TOP MARKETING SUCCESSES 1981

Now he sings in the shower

Bob Taylor's Softsoap rolled out in January 1980 as a pump-dispensed sink soap. Now he's staying ahead of the likes of Procter & Gamble and Armour-Dial in the market he created and is expanding with ShowerMate, a liquid soap for the shower. He's taken Minnetonka from a $25 million specialty company to a $100 million diversifier.

SOFTSOAP

Bob Taylor, president, Minnetonka, Inc.

In-house agency

Bob Taylor is changing the complexion of the soap industry from the front seat of his car.

The product concepts that have put his Minnetonka, Inc. in the driver's seat of the liquid soap business were hatched during the daily commute to the company's suburban Minneapolis offices. The by-products of Taylor's rush-hour brainstorming have included

Softsoap, the pump-dispensed sink soap that has taken Minnetonka from a $25 million specialty firm to a $100 million consumer product company in less than three years.

Liquid soap for the sink, which Softsoap brought to national prominence in 1980 with a first year advertising budget exceeding $6 million (or about 25% of the company's 1979 sales), has given rise to dozens of knock-offs and a slice of the total bar soap market approaching 10%. Total bar soap sales are approximately $850 million through food stores and another $150 million through drug and discount stores.

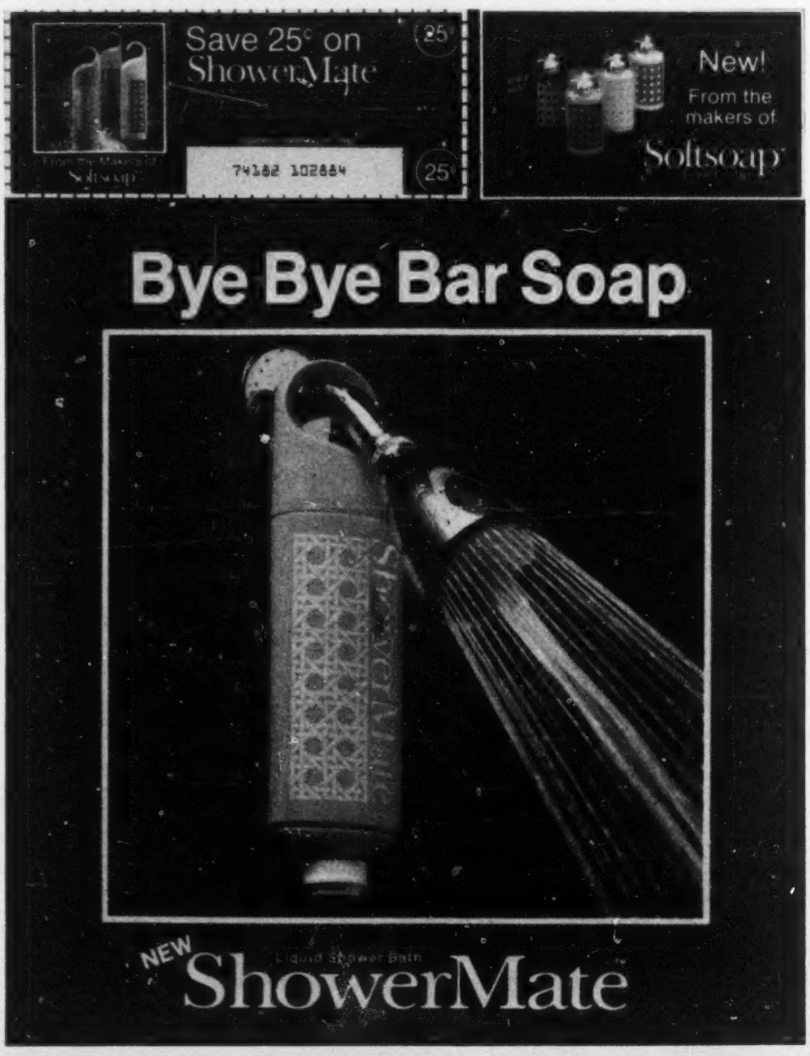
In Minnetonka's case, Softsoap has also set the stage for introduction of such related items as heavy-duty liquid soap (Work Soap) and liquid soap for the shower (ShowerMate). While Taylor sees the liquid sink soap market peaking during the next few years, he anticipates unlimited growth potential for liquid shower soap. That commodity, he predicts, will make bar soap as passe as the pull-chain flusher.

Although liquid soap has been a bigger spark for the soap industry than Lawrence Welk's bubble-making machine, it has attracted minimal participation from the big soapers — which attests to Minnetonka's almost total dominance, estimated at more than 50%, of a $100 million market. Procter & Gamble is dabbling, with a liquid soap — Rejoice — in test market, while Armour-Dial is doing the same with its entry, Liqua 4.

Although Softsoap is a young bubble in the marketplace, Minnetonka itself materialized about the same time the Beatles did in the U.S.

In 1964, at the age of 29, Taylor launched the company with a $3,000 investment by hand-rolling scented soap balls in his basement with the help of his wife, friends and a used machine he bought from Land O' Lakes for $25. Taylor and company churned out their products on the weekends, while Taylor spent the weekdays making sales calls to department, specialty and gift stores. During that inaugural year, the company — incorporated as Village Bath — racked-up $30,000 in sales with a line of six specialty soap and gift items.

ShowerMate is backed with a $15 million total



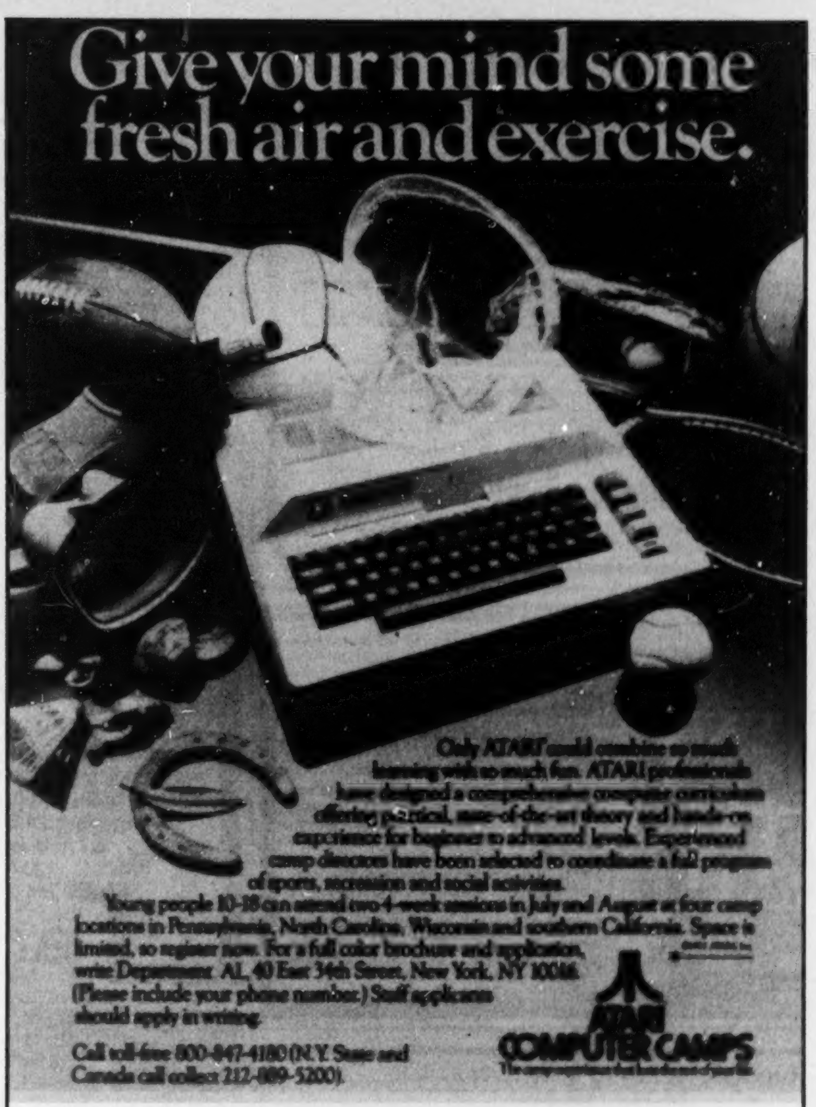
Although liquid soap for the sink is far from being washed-up, its future looks filmy compared to the potential for a liquid version for bathtubs and shower stalls. So predicts Minnetonka, Inc., founder and president Bob Taylor, who is putting a healthy chunk of his company's resources behind a recently launched liquid bath soap.

In fact, the 47-year-old entrepreneur is almost dead certain that his new ShowerMate will open-up a market even more lucrative than that pioneered by Minnetonka's successful Softsoap.

"In Europe, we know that the liquid soap market for the shower and bath is equal to the bar soap business. So we have a feeling that the trend is a beginning with ShowerMate and will continue to grow," noted Taylor. In the U.S., approximately 75% of all soaps are used in the shower and bath.

Development of a liquid shower soap began even before Softsoap's national roll-out in January, 1980, recalls Softsoap Division general manager Wally Marx. Like Softsoap, packaging was seen as one of the most crucial ingredients in the proposed product's marketing recipe.

"We knew the container had to


Give your mind some fresh air and exercise.
ATARI
COMPUTER CAMPS
The camp experience that lasts the rest of your life

Only ATARI could combine so much learning with so much fun. ATARI professionals have designed a comprehensive computer curriculum offering practical, state-of-the-art theory and hands-on experience for beginner to advanced levels. Experienced camp directors have been selected to coordinate a full program of sports, recreation and social activities.

Young people 10-18 can attend two 4-week sessions in July and August at four camp locations in Pennsylvania, North Carolina, Wisconsin and southern California. Space is limited, so register now. For a full color brochure and application, write Department AL, 40 East 34th Street, New York, NY 10016. (Please include your phone number.) Staff applicants should apply in writing.

Call toll-free 800-847-4180 (N.Y. State and Canada call collect 212-889-5200).

The computer goes to summer camp

Traditionally, when youngsters went to summer camp, the purpose was to get them away from city streets and television sets. This year, Atari's summer computer camp will educate youngsters in the use of the electronic device, what it can do, and how it can be programed.

Full page advertisements in the Sunday New York *Times* and other newspapers have announced the availability of the camp program to interested adults and children.

So this year, while most youngsters will still be looking at real cows, horses, chickens and pigs, a select few will be learning how to draw them on television screens with computer graphics.

The ad ran in New York *Times* summer camp section. when Atari wants immediate action, it includes newspapers in its media mix. But it also finds direct mail (sometimes expensive, high quality mailing pieces) essential to building repeat sales for its software.

The summer camp idea has the additional value of setting Atari apart from other electronic gadget manufacturers in the new idea business.

as a kind of marketing research for tv."

Four Atari commercials have been running year-round. So little seasonality has been detected that Atari's new home version of "Pacman" is being introduced in March. The first, and perhaps most frequently shown, gives reasons to buy beyond fun and games. The spot opens with two parents relieving boredom with the game, which also brings them together with their children. The goal is togetherness; the result is that parents go out and get the hardware.

In another ad that sells hardware, a rather worldly feminine voice sings that Atari is for "the little boy in every man." The spots with software emphasis show families dominated by their children, and show a catalog of available catridges. The tag line question in these is, "Have you played Atari today?"

Sklaver says that this year, for the first time, Atari is using radio, too. "This is a very visual product, a tv product, so we haven't used radio at all yet. However, teenagers are very hard to reach on tv, and now the product is getting so well known that we don't have to *show* it."

Teenagers, of course, are the eternal denizens of the murky depths of the arcades from which the Atari giant emerged. Network radio is now being used extensively to plumb these depths — as only sound-waves can — throughout the year.

Certainly through 1981 and this year, big spending is a not-to-be-underestimated component of the Atari success story. But exponential expenditure growth is founded in exponential income growth: Atari is now Warner Communications' number one cash horse. "You've got to give them credit, for having invested a lot of money in this," says Sklaver. "You have to give them credit for their confidence and for their concept of the market. But I don't think anybody over there, not even Ray Kassar, suspected success of anywhere near this magnitude. Not this soon, anyway. It's happened sooner than anybody expected."

"Warner's people have always been consumer product oriented," says Kassar, "and the people at Atari have

Prior to 1964, Taylor — who received an MBA from Stanford — worked as a Toledo, Ohio-based sales representative for Johnson & Johnson. He left Johnson & Johnson in 1960 to go into business for himself as a manufacturer's representative in Minneapolis — where, over a four-year period, he represented more than 200 different companies. His sales ability, recalls Taylor, was honed at the age of 15 while selling five cent cigars for a tobacco wholesaler in his birthplace of Baltimore. Of the 132 sales calls he made during one particular marathon 15-hour workday, he managed to place his employer's stogies in all 132.

By 1968, Taylor's outfit was selling more than a half-million-dollars' worth of its line of 125 bath and gift products to major department stores in every state. In December 1967, Village Bath became Minnetonka Laboratories, Inc., reflecting the firm's suburban Minneapolis location. The company went public in 1972, a year in which sales leaped to almost $9 million.

Minnetonka's first big splash in the liquid soap market came in 1977 (the same year the firm shortened its name to Minnetonka, Inc. to — as Taylor explained — avoid "giving the false impression that we were a pharmaceutical company"). During one of his morning commutes to the office, Taylor toyed with the idea of making liquid soap a functional personal care commodity by putting the viscous substance in pump containers.

Eleven days after Taylor's behind-the-wheel think tank session, the "Incredible Soap Machine" was unveiled. Its floral-bedecked final version debuted in department stores during the Christmas season of 1977 and, at $4.95 retail, was largely responsible for boosting Minnetonka's sales from $8.4 million to $11.5 million that year.

"It wasn't the first liquid soap, but it was the first decorator package liquid soap," recalled Taylor. "Everybody else who had ever tried liquid soaps merely put it in a bottle. Some were squeeze bottles. But nobody had it with a design on it."

To market its uniquely-packaged product, Minnetonka billed the Incredible Soap Machine as the panacea for messy bar soaps. It was a strategy that

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advertising and promotion blitz

be unique. It couldn't just be a Flex shampoo bottle with liquid soap in it," Marx said.

The concept for this package cropped up in Taylor's mind while driving to work one morning. A previous rush-hour commute had planted the seeds for the creation of Softsoap. What he envisioned on the open road soon came to pass: an inverted, no-drip dispenser with a hook-shaped cap that allows the product to be suspended from the shower head or towel rack. Because of the complexity of this package, it took Minnetonka three times longer to develop the ShowerMate container compared to the Softsoap dispenser.

The success of Softsoap, however, helped to expedite the national introduction of ShowerMate this past March. "Because we already had a customer base established, we weren't developing a whole new basis of business," said Taylor.

As opposed to Softsoap's 12 test markets in 1978 and 1979, ShowerMate was only put into six. Testing was sped-up to allow the product to be first in the marketplace and to quickly dominate shelf position.

Distribution of ShowerMate parallels Softsoap's, and is typically displayed next to Softsoap.

In conjunction with ShowerMate's March roll-out, a $15 million advertising and promotion campaign was launched to quickly put the item in a leadership position. Network tv equalling 200 grp's per week is being bought to air two different ShowerMate spots featuring a 25 cents off coupon. This campaign reached more than 35 million people on March 28. Also slated for ShowerMate are four-color ads in *Good Housekeeping, Woman's Day, McCall's, Family Circle* and *Better Homes and Gardens.*

Taylor projects that ShowerMate will experience a slower initial build than Softsoap, but have longer-term growth. "I think ShowerMate is going to be a more moderate success, but — in the long run — a bigger success than Softsoap."

ShowerMate's competition — prospective and actual — includes Gillette's Bare Elegance and Akron-based GoJo Industries' Shower Up.

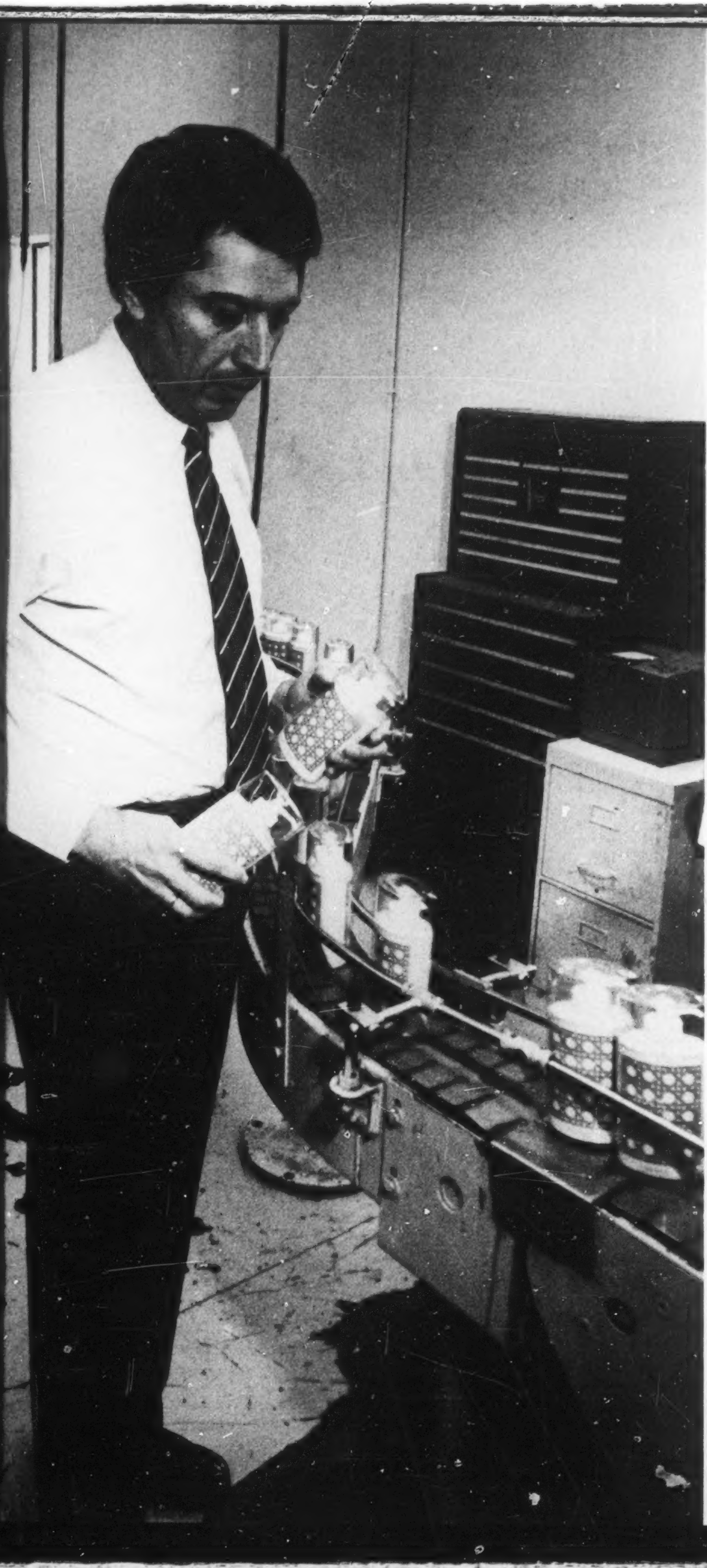
New competitor

Gillette's launch on Bare Elegance was in April of this year in six western states.

The launch will be supported by a national equivalent of over $16 million in advertising and promotional activities. Its claim for Bare Elegance is that it "combines the benefits of cleansing and moisturizing at the same time. Bare Elegance comes out of Gillette's Personal Care Division, which launched Silkience Self-Adjusting Moisturizer last fall. Silkience Moisturizer was the first extension into skin care of the division's successful Silkience hair-care line. With the shower soap, it decided to avoid further extension of the Silkience brand name.

Gillette claims that in consumer tests, women preferred Bare Elegance to competitive products, including a leading "moisturizing" bar soap, for its cleansing and moisturizing benefits, as well as for its convenience. It is being marketed with a hook-shaped package for hanging in the shower — like ShowerMate.

Three fragrances are available for Bare Elegance: Fresh Jasmine, in a lavender package; Fresh Spring, in a pale green package; and Unscented, in a beige package. Eight ounces of Bare Elegance are priced at about $2.50 in food, drug and mass merchandise outlets.



didn't cause a lot of people to bubble over with enthusiasm, Taylor recalls.

"Everybody said our position statement was wrong, that we shouldn't be selling "eliminate messy bar soap" because that's not a proprietary position statement. Everybody who goes into liquid soap can eliminate messy bar soap. A lot of people advised us to talk about the skin-softening benefits of the formula. And we disagreed. Our position with liquid soap was to strictly eliminate messy bar soap and clean-up the house and, at the same time, give it a designer touch."

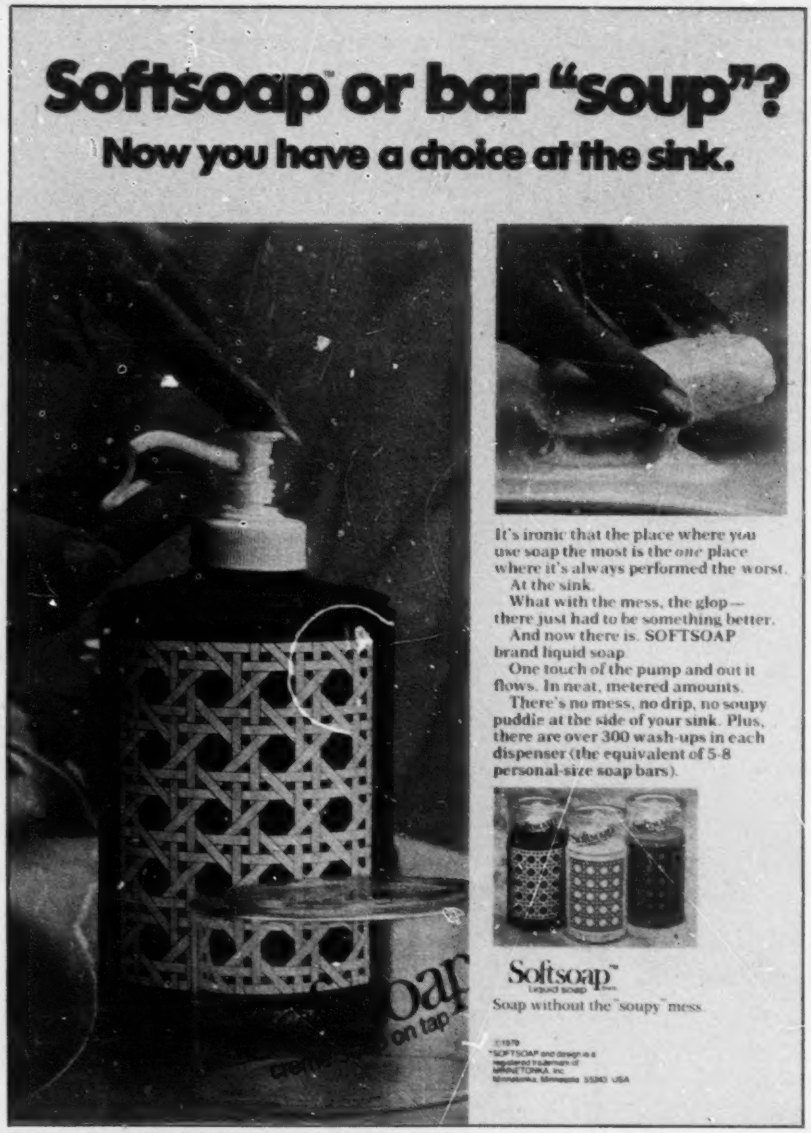
That position statement, said Taylor, has also been the most important success formula for the liquid soap product engendered by the Incredible Soap Machine — Softsoap.

If a $4.95 dispenser could sell over a million units in one year in department stores, figured Minnetonka executives, imagine what a cheaper version could do in a mass-merchandising setting. The company didn't waste any time finding out.

Softsoap — the company's first product specifically designed to be sold through food stores — was put into test market in Minneapolis, Milwaukee and Indianapolis in late 1978. As part of the testing, spot tv equal to 200 gross rating points for 13 weeks was bought in Minneapolis; half that amount was purchased in Milwaukee; while Indianapolis was designated as the control market with no advertising. According to Selling Areas Marketing, Inc. (SAMI), figures of warehouse shipments to retailers show Softsoap posting a healthy 5% of market in Minneapolis and Milwaukee during testing.

In 1979, testing was expanded to nine other cities including Chicago, Houston, Dallas, Denver, St. Louis, Kansas City and Des Moines. All told, the dozen test markets — representing more than 14% of the nation's population — accounted for $4 million in Softsoap sales. Two other developments in 1979 signaled Softsoap's impending national introduction. One

Wally Marx, vp-general manager, Softsoap Div., Minnetonka Labs, seeks quality in ads, and in the products on the assembly line.



Softsoap™ or bar "soup"?

Now you have a choice at the sink.

It's ironic that the place where you use soap the most is the *one* place where it's always performed the worst.

At the sink.

What with the mess, the glop — there just had to be something better.

And now there is. SOFTSOAP brand liquid soap.

One touch of the pump and out it flows. In neat, metered amounts.

There's no mess, no drip, no soupy puddle at the side of your sink. Plus, there are over 300 wash-ups in each dispenser (the equivalent of 5-8 personal-size soap bars).

Softsoap™
liquid soap

Soap without the "soupy" mess.

©1979
*SOFTSOAP and design is a registered trademark of MINNETONKA, Inc.
Minnetonka, Minnesota 55343 USA

Print ad for Softsoap ran on inside back cover of *Better Homes & Gardens*, emphasizing convenience of liquid soap at sink.

was the construction of a 44,000 square foot production and warehouse facility for Softsoap. The other was the hiring of Wally Marx — former director of planning for Pillsbury's Consumer Products Group — to head-up Minnetonka's Softsoap Division.

"In late 1979, Bob Taylor and I put together a whole business plan for Softsoap, put together a national sales organization of brokers and representatives, wrote the advertising and wrote and produced the sales promotion material," said Marx.

In December 1979, Taylor and Mark unveiled the 10.5-ounce product — which had a suggested roll-out retail of $1.59 — to their network of brokers. Shipments to grocery, drug and discount stores got underway in January 1980. On March 15th, Softsoap production shut down because of an over-inventoried position. Explained Marx: "By that time we had done what I considered to be an excellent job in trade, because most major accounts in the country had authorized the product. But they hadn't taken a lot, probably because they thought Minnetonka was a small company and they had never heard of it."

Minnetonka quickly emptied their warehouse when they launched a $6.4 million ad campaign in April. Daytime, early and late fringe television kicked-off on April 7 with a 30-second blurb that touted Softsoap as "soap without the soapy mess." The commercial, produced in-house for $17,000, was Softsoap's only spot in 1980 and ran both on network and spot tv. (According to LNA, Minnetonka spent $4.1 million on network tv and $1.8 million on spot to plug Softsoap in 1980.) A freestanding 20-cent-off coupon in a Blair Newspaper insert dropped on April 13.

Minnetonka's intensive consumer-pull strategy for Softsoap drew a quick response from the marketplace, with many stores around the country selling-out their stock by the end of April.

"So then the tidal wave came. Everybody was ordering, everybody was promoting," said Marx. "They ran us out of stock and we had to go on allocation from the middle of May (1980) until the fall.

"We found we had a tiger by the tail. What we did was start-up our plant on a full-capacity basis, had our suppliers going on a three-shift, seven-day basis to get as many components as we could, and used contract packers."

The April stock-out, added Marx, resulted in a slight loss of momentum at that time. Minnetonka, however, soon managed to catch-up with the demand for Softsoap, which, according to SAMI, captured a 6% share of the total soap market in its inaugural year. Minnetonka's sales soared 191% to $73.2 million in 1980.

Minnetonka's meteoric creation and domination of mass market liquid soap was part of the company's (i.e., Taylor's) long-standing operating philosophy of "marketing by circumvention.

"You have to compete where you're strongest," notes Taylor, who had previously carved out leadership positions in those product categories where the soapers didn't bother to tread — namely specialty bath and gift items and environmental fragrances for the home. Its Village Bath, Claire Burke and Dirty Kids lines are children of circumvention.

"We try to find a product that has a unique opportunity for which we perceive a consumer need and then, through a special container or mission statement, try to build a consumer demand that nobody else can satisfy," explained Taylor.

"The big companies go the other way. They establish how big the market is in a particular category of shampoo, bar soap or deodorant. Then they determine how much share of market they want of that established business. Then they calculate how many dollars of advertising and product development it's going to cost them to get it. Then they make a decision.

"We work it completely the opposite. We find markets that don't exist. We do some research with consumer panels to determine if there's something that could be established there. And then we generally start with a low-cost entry, test it and find-out if it has any response. If it does, we begin rolling it on a regional and then eventually a national basis," Taylor said.

Despite Softsoap's impressive introduction, the major soap producers — Procter & Gamble, Armour-Dial, Colgate and Lever Brothers — preferred to watch from the sidelines. Their reluctance to get into the liquid soap market, theorized Taylor, may be due to entry being tantamount to admitting that bar soaps are, indeed, messy. The big soapers' heavy investments in bar soap machinery and the fear of self-obsolescence prompted them to only take a half-hearted look at this overnight phenomenon, observed Softsoap general manager Marx.

"It would be like Detroit trying to convert to disc brakes. What are they going to do with all the machinery for regular shoe brakes? As soon as you let old machinery be an albatross around your neck, you're going to sink," Marx said.

Competition came, instead, from what Marx calls "second-tiered" companies. Dozens of small competitors, he noted, entered the liquid soap market, selling their wares strictly on price. This trade-push approach differed sharply from Softsoap's media-bolstered consumer pull strategy.

The only serious offensives were mounted by Jergens and Yardley, which deployed a combination of low price and limited advertising. (1980 LNA figures show Yardley spending $553,000 to promote its version of liquid soap — with 60% of that figure going into spot tv and the remainder into magazines.) Also in 1980, Economics Laboratory, another Minneapolis-based producer, launched its Clean 'n Smooth liquid soap in four midwestern test markets with a $181,000 media budget — $150,000 of it going into spot tv.

In 1981, Minnetonka set out to broaden Softsoap's pace-setting base by introducing a larger 16.5-ounce container and unveiling Work Soap, a heavy-duty liquid soap in a pump dispenser. Also that year, the company's ShowerMate, a specially-packaged liquid soap for the shower and bathtub, was put into test market. It made its national debut this past March.

More than two years after its introduction, Softsoap continues to dominate a liquid soap market that abounds with more than 40 competing brands. (According to SAMI, of the 41 liquid hand soap brands listed in 1982, nine have no market shares and 12 show only negligible shares.)

Even though — by chronological standards — it's still a fledgling fluid, liquid soap for the sink, notes Taylor, has reached about 80% maturity. With total industry sales for that type of product running at about $100 million, Softsoap is assuming a textbook marketing strategy to maintain its commanding market share. The big growth potential for liquid soap, feels Taylor, is now in shower and bathtub use.

"Now you're reaching the on-going battleground that all consumer products face, and that is to maintain a quality product at a reasonable retail price; reinforce with sales promotion and advertising; have the best sales force you can put out there; and manage the whole thing so that you make money, the retailer makes money and the consumer sees and hears you.

"It's just basic good business from this point forward. There's no magic. All the glamour is gone. Now it's just hard work, organization and good strategies. It's that simple. But if we can't do that, then we don't belong in this field," said Taylor.

Liquid soap, says Wally Marx, is now high stakes poker geared for those companies that seriously entered the game when it first got underway. "The price of entry is high and the price of staying at the table is high," he added.

According to Marx, besides Softsoap, only Jergens and Yardley liquid soap brands are posting any significant sales. And the two competitors, he noted, are getting their shelf space by making hefty price concessions to the trade. "They are, with their trade-push strategies, giving the trade triple and more than what we're giving them to push our product through," Marx said.

Dozens of other less aggressive liquid soap makers are finding themselves in an overstocked position.

"Unfortunately, the product is glutting the warehouses and polluting the shelves," says Marx of Softsoap's competition. "I don't know of very many companies that are actively producing liquid soap now for future sales. It's just too expensive to be in it. And the large companies that want to come in are going to have a very difficult time getting in. The trade has inventories it has to move out before a new brand can come on stage."

Taylor feels the large soap companies are taking a stab at liquid sink soap — despite the saturated nature of the field — to avoid looking foolish in the financial community.

"I honestly don't think that the big soapers believe that the liquid sink soap category will be large enough for them to put a serious entry in. I think the 1981 fallout of all the small companies and, in our opinion, Procter & Gamble's unsuccessful test of Rejoice in Houston, will prove to them that they should address themselves to the shower business and not the sink business," said Taylor.

"My perception is that the large soap companies will not roll with their testing because the numbers aren't there to come away without total hemorrhaging. If they do roll, I think it would be a major mistake for them. It would be because a naive brand manager made the recommendation and there wasn't enough analysis behind it to ask the proper questions."

Interestingly, entrepreneur Taylor acknowledges that Procter & Gamble is "still the company we'd like to emulate as a company."

Regardless of the peaking maturity of liquid sink soap, Taylor thinks that mass-marketed liquid soaps have a long future ahead of them. He cites research studies reporting that 70% of first-time liquid soap buyers make repeat purchases."

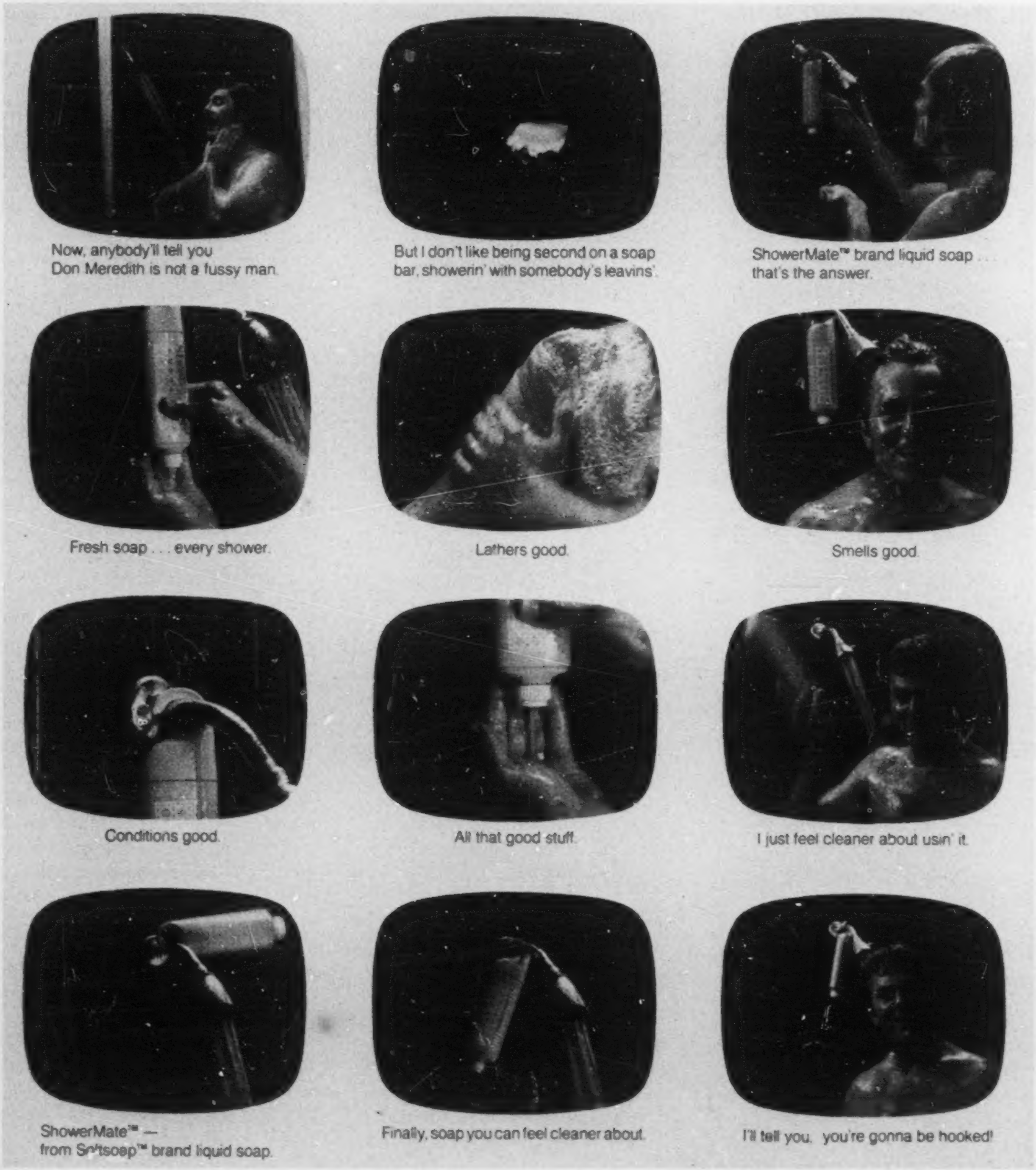
In terms of Minnetonka's media mix for its liquid soap products, television, explains Taylor, "is still the number one choice of media for us simply because it's so visual and we still have an educational problem. Although over half the households use liquid soap, you get down to diminishing returns.

"The last 50% are harder to get than the first 50%, because you have a lot of non-viewers and you have to try other means — couponing or magazines." (In fact, a free-standing insert featuring a 30-cent-off coupon and a $1 refund offer reached 34 million people this past February 21).

In 1980, Softsoap was backed by $360,000 in magazines (only one four-color ad was produced that year), $62,000 on newspapers and $48,000 on outdoor. In 1981 Minnetonka ran a Softsoap "Soft Life" sweepstakes in conjunction with the introduction of the bigger 16.5-ounce container. First prize was free, household help for a year.

According to Taylor, Softsoap's present media budget is "running

ShowerMate tv spot features Dandy Don Meredith getting "hooked" on product.



Now, anybody'll tell you
Don Meredith is not a fussy man.

But I don't like being second on a soap
bar, showerin' with somebody's leavins'.

ShowerMate™ brand liquid soap . . .
that's the answer.

Fresh soap . . . every shower.

Lathers good.

Smells good.

Conditions good.

All that good stuff.

I just feel cleaner about usin' it.

ShowerMate™ —
from Softsoap™ brand liquid soap.

Finally, soap you can feel cleaner about.

I'll tell you, you're gonna be hooked!

about the same" as it did in 1980. Although a greater percentage of the 1981 budget was spent on network buys, it doesn't constitute a permanent fine-tuning of Softsoap strategy.

"Our mix changes to fit what our objectives are," commented Marx. "We don't have a formula. You look at soap advertising in general and, in measured media, it's 90% television."

Minnetonka's internal set-up to coordinate the marketing of Softsoap and related liquid soap products boils down to two factors: Taylor and Marx. It's no accident that the company doesn't have an ad agency or even a product manager. It's the intentional by-product of the entrepreneurial philosophy that extends back to the early days of the company when founder Taylor physically created his wares.

"You know, starting a company from zero, you have no choice . . . you don't make a decision that you want to be entrepreneurial. You, in fact, are entrepreneurial because that's your existence," Taylor said.

In addition to writing and producing Softsoap's sales promotion material, Taylor and Marx personally oversee all aspects of commercial production — from scriptwriting and storyboard creation to casting and editing.

"We know what we want in our advertising and packaging," observed Marx. "So rather than me telling an account executive, who's going to tell a creative supervisor, who, in turn, is going to tell a creative person and then come back again, we do it ourselves."

Said Taylor: "Wally and I can have a one-hour meeting and accomplish what agencies would take weeks to develop. We shortcut the process by deciding where we want to be — often with the help of focus groups."

Freelance or in-house writers are tapped to generate commercial scripts and ad copy, which are subsequently revised by Taylor and Marx. Minnetonka's in-house advertising capability allowed the company to conceive, produce and air its Work Soap tv spots within a three-week period.

There are exceptions, of course, as was the case when Minnetonka used an outside agency to produce its ShowerMate spots. "Sometimes you need an outside person to look at the facts. Sometimes we're so close to it we miss the obvious," said Taylor.

Minnetonka uses Minneapolis-based Cash Plus, Inc. to handle media buying. Marx works directly with that buying service's principals, Chuck Percival, who handles buying, and Dale Applequist, who does much of the media planning.

The bottom line of Softsoap's success, explains Taylor, is what stands behind the cane-motif container, not what's in it.

"If you go into consumer products, you go in knowing that your product is going to be a parity product and no better; that your specialty is going to have to be consumer communication, marketing strategy and developing people skills that are equal to or better than anybody else's."

Steve Raddock

Steve Raddock is creative director of Patten Corp., a Detroit-area advertising agency, and a former assistant editor of Decisions.

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If you want to make every TV dollar worth even more, stretch your TV budget in *Outdoor Advertising.* That's right, *Outdoor Advertising* is the perfect complement to almost every TV buy. It's like buying media insurance to assure the effectiveness, reach and frequency of your advertising. Used in conjunction with TV, *Outdoor Advertising* can make your TV sales points even more memorable. But more importantly, *Outdoor Advertising* can maintain your presence in a market even when you're not on TV. Smart marketers across the country use *Outdoor Advertising* during breaks in their TV schedules. So they're never really out of the marketplace. Never really out of the consumer's mind. For more information, call the Institute of Outdoor Advertising at (212) 986-5920.

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Atari's video game invasion

In 1981 Atari began reaping the rich rewards of plans laid by parent Warner Communciations in 1976 — a total domination of the video game market. Last year, Atari provided one-third of Warner's operating income, and advertising spending is doubling geometrically each year. The only surprise to the people at Atari: success has come sooner than expected.

ATARI

Ray Kassar, chairman

Doyle Dane Bernbach

Atari has not merely captured, but, by common consent is acknowledged to have created 70% of the video game business. In 1981, the company provided one third of the operating income of its parent, Warner Communications — most of whose other sectors are also very profitable. And, with an ad budget for 1982 of $100 million, according to president Michael Moone, it may not be difficult to see how ceo Raymond Kassar can say, "Next year we expect additional growth, so we should maintain, if not improve upon, our percentage of Warner profits."

That $100 million will be divided between network television, which gets $75 million, and a co-op retail campaign, for which the remaining $25 million is designated. Discarding the seasonal toy and game image with a vengeance, Atari commercials will be seen every week of the year.

It may have been a bit difficult to see this eleven years ago, when entre-

A CEO who's involved in every ad created

Ray Kassar, chairman and chief executive officer of Atari came to Atari — and Atari came to Kassar — in 1977. His previous career at Burlington Industries culminated in his appointment as executive vice-president and a member of the board of directors. He also quit Burlington that year, reportedly dissatisfied with not being made president. He formed his own business, the R.E. Kassar Company, which manufactured and marketed Egyptian cotton clothing in the U.S.

In March, 1978, Kassar became general manager of the consumer electronics division of Atari, and in January 1979, was named ceo and chairman of the board. Kassar says that he did everything he could to turn the job down. He is reported in a local California Silicon Valley newspaper as having said at the time: "I was almost indignant when they offered me the job. They wanted me to run the consumer division — not even the whole company. Besides, I didn't know anything about electronics and I didn't want to live in California."

"On paper, you could say it represented a radical change from textiles, from a fashion oriented industry

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preneur Nolan Bushnell founded Atari with $500. (The name comes from a term in the Japanese game of Go.)

It would have been even more difficult to be a seer ten years ago, when Bushnell's creation was on the brink of bankruptcy. Its one product, "Pong," the first video arcade game, faced a controlled and hostile distribution system. In 1975, Bushnell introduced a home version of "Pong," which sold out faster than Atari could make it. So the entrepreneur tried to sell his creation to Disney and to MCA. In 1976 Warner took the bait that nobody else was particularly hungry for, at $28 million. Even then, the most persistent of Warner decision-makers could not have allowed himself to dream of over $900 million in revenues and $200 million in profits in 1981.

But Warner Communications had a strategy in mind in 1976, a game-plan peculiar to and characteristic of the major entertainment corporation success story of the 1980s. That very label, "entertainment corporation" is significant to the Warner success, another is that they are now far more than that.

While Hollywood was falling apart in the 1960's, new Warner management was able to seize upon — better than any competing studio — the similiar communications markets in records, books, comic books and then video games.

In 1976, who else but Warner Communications could have made the connection between a movie that attracts attention in theaters, thence to be sold to various consumer home delivery systems; and recorded music — attracting publicity on radio and then sold to consumers in album form; and then video arcade games, which help presell home video games? The question is moot. Warner did it.

Perhaps another reason for Atari's dominance in its category can be found in comparing Warner's corporate identity with that of Atari's competitors. Most are game and toy manufacturers. Two, Sylvania and Magnavox, make consumer electronics products — chiefly "hardware." Atari has positioned its games as consumer electronics goods, directing its ads almost entirely towards an adult and family audience.

Only now that this identity is firmly established, is Atari's campaign beginning to focus attention on kids as well in some of its media usage. Competing games-makers seem to have mispositioned the relatively high-priced video games within the children's games market. At the same time, competitors with electronics backgrounds lacked Atari's Warner-style emphasis on software. Among industry observers, a readily apparent concensus is that Atari's software is far ahead of all competitors in consumer-perceived quality.

Says ceo Ray Kassar: I certainly think that we have the most talented, creative group of software developers to high technology," says Kassar. "But there are many fundamental similarities. Beyond the fundamentals, I've had to adapt. I'm lucky I fit in."

Ray Kassar has done more than simply "fit in." He has presided over Atari's growth from a company of under 1,000 employees to over 10,000, from income of about $25 million to over $1 billion, all in only four years. He has taken a small, entrepreneurial company known for its laid-back California style into a much larger industrial realm without leaving behind the entrepreneurial, relaxed way of doing business.

Advertising is integral

Kassar, more than most perhaps, views advertising as an intergral part of his company's organization. One of his first acts as ceo was to raise his ad budget to $5 million and advertise all year-round, demonstrating to industry and the public at large that video games were not merely Christmas toys. Says David Sklaver of DDB, "He's a ceo who's involved in every ad created. He will read or screen each and every ad before it is released, and discuss it. His involvement with everything is day to day -- much heavier then most clients."

Kassar had a reputation, during his 25 years at Burlington for healing one sick division after another. And Warner needed just such a troubleshooter for Atari. "I told them I'd come out here for only two days a month to manage the operation and they said, 'anything you want.'"

"The division was without direction and it lacked structure," Kassar said back in 1980. "There was no long-range strategy, things weren't confirmed in writing, quality control was lacking, and the retail community thought our whole video game was a fad."

Liked entrepreneurial feel

Kassar found coddling engineers in Silicon Valley similiar to coddling designers in New York. He liked the entrepreneurial feel of the company and he liked working at slightly unorthodox Warner Communications. "We respond quickly to new ideas," he says. "And I try to make sure that we don't get bogged down in the struggle to write the longest memos. I have to be involved and I have to delegate, and so does everybody else. It's people chemistry that makes for success.

"Beyond the product you have to have the proper positioning, primarily through advertising, and p.o.p. at retail. It's a mix of key ingredients — a whole coordinated effort."

Kassar is carrying on in the traditions set by the man who invented Atari, Nolan Bushnell, who got the whole thing started on an investment of $500. That was 10 years ago, with the company name borrowed from a Japanese game called "Go." Bushnell's first product was a game called "Pong," and that did not work out well as a game intended for use in arcades. The founder found himself on the verge of bankruptcy — then hit on marketing a home version of "Pong." This one sold out faster than he could make it. The rest is history.

---

in the country. Now that others — competitors — are making software for our machines,that also demonstrates the respect that our hardware has achieved. But I feel confident that we will continue to dominate the software end as well. When I got here, four years ago, the business was mostly coin-op. We developed our own "hits," and then started marketing them to the home.

For example, we know that a big hit in coin-op such as "Asteroids," invariably translates to a consumer hit. Our own built-in marketing research is almost fool-proof.

In essence, Atari has made its game computer console the standard American delivery system for home video games, and also produces the software "hits" that are, even now, a much larger market than the hardware. It is as if, in the movie business, Warner owned 80% of the theaters in the country, made 70% of the televisions, and also made all of the programing.

As the video game market matures, it is inevitable that Atari will solidify its hardware position as the standard — and other manufacturers increasingly will turn to making software for Atari's hardware.

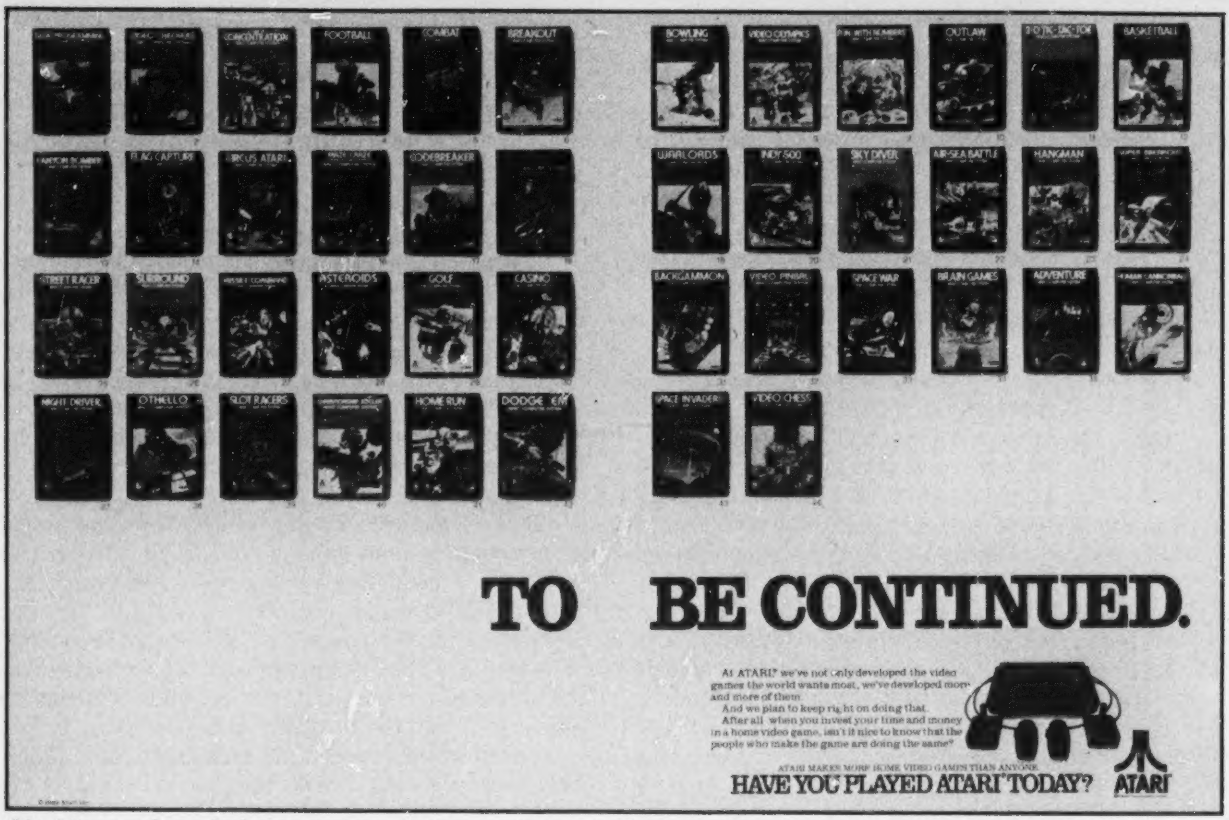
One source of such outside software is Activision, a company made up of some former Atari Software creators, who split from the company in 1979. Atari generated a $20 million legal action against Activision in 1980, charging the latter with unfair competition, trademark infringements, and conspiracy to appropriate trade secrets. At the end of 1981, the suit was settled out of court, with Activision now a licensed game cartridge manufacturer. Mattel is also an Atari-licensed software maker, signalling a possible eventual abandonment of that company's own hardware.

Magnavox, maker of Atari's closest competition, "Odyssey II," tried a different tack — and lost.

Odyssey does not have the ability to generate its own arcade hits, as Atari does. Atari's current major arcade craze is "Pacman," and Magnavox brought out a home "Pacman" clone during last Christmas' selling season. In a March decision in U.S. Court in Chicago, Atari forced North American Philips, parent of Maganavox, to take its imitation off the market. NAP is appealing the case. The message is clear: the video game market is Atari's.

As has perhaps already been made clear, this wonderful state of affairs (from the Atari point of view) has not come about through big marketing bucks alone. LNA/BAR figures for 1979, the year before the video game explosion, show Atari's ad expenditures about the same as everybody else's in the nascent category. LNA for 1980 shows Atari's expenditures, commensurate with its income, rising sharply to $6.7 million.

Expenditures did not exceed those of major competitors Mattel and Mag-


CONCENTRATION
FOOTBALL
COMBAT
BREAKOUT
CANYON BOMBER
FLAG CAPTURE
CIRCUS ATARI
CODEBREAKER
STREET RACER
SURROUND
ASTEROIDS
GOLF
CASINO
NIGHT DRIVER
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SLOT RACERS
HOME RUN
DODGE 'EM
BOWLING
VIDEO OLYMPICS
FUN WITH NUMBERS
OUTLAW
3-D TIC-TAC-TOE
BASKETBALL
WARLORDS
INDY 500
SKY DIVER
AIR-SEA BATTLE
HANGMAN
BACKGAMMON
VIDEO PINBALL
SPACE WAR
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TO BE CONTINUED.

At ATARI® we've not only developed the video games the world wants most, we've developed more and more of them.

And we plan to keep right on doing that.

After all, when you invest your time and money in a home video game, isn't it nice to know that the people who make the game are doing the same?

ATARI MAKES MORE HOME VIDEO GAMES THAN ANYONE.

HAVE YOU PLAYED ATARI® TODAY?

ATARI

Atari four-color ads in magazines display packages to stress variety of special programing.

navox. The difference was in product positioning, and ad positioning. "We put a significant amount of money into primetime television advertising for our video game product," says Kassar, "We established the products as year-round consumer electronics items, not just Christmas products."

In 1980 Atari invested $3.6 million according to LNA, in network tv and $1.7 million in spot tv in behalf of its video game cartridges. It added to that $1.4 million in magazines in behalf of Atari computer video systems. It spent $103,000 in newspapers and $30,000 in spot radio. In contrast Mattel put practically all of its $7.2 million budget for electronic games into tv — about half in spot tv, half network.

The agency for Atari's video games has been Doyle Dane Bernbach since that first big push in 1980. David Sklaver has been account executive for most of that time.

One of his goals has been to humanize the machines through advertising. This has been especially true recently, with the growth of a nascent parents' movement to wean children away from the supposed harmful effects of the games. He says, "What we've been trying to do in Atari's tv advertising is build warmth and humanity around the machine. With this being a controversial subject now, we want to portray it in a warm light similar to any everyday appliance. We try to establish it in tv as a member of the family, whereas print is more factual.

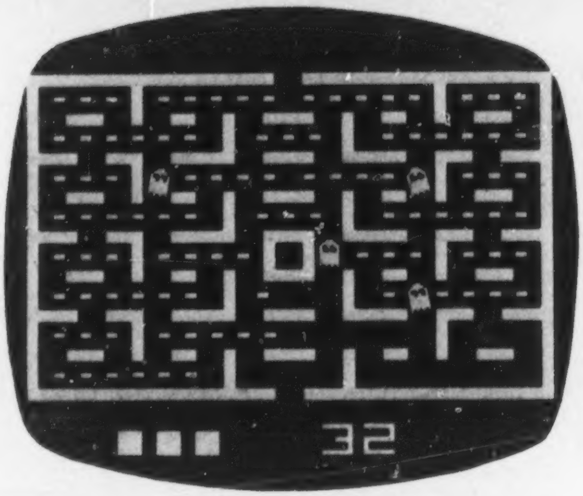
"In Atari's case, we're beginning to use print to address what's perceived as not good about the product — and we've been doing this all along, ranging from, "is it bad for the tv?" to "is it good for my children?"

In print, Sklaver says, there are two thrusts. One is "addressing those underlying doubts," the other is promoting the hardware. Adults buy Atari's hardware, kids don't. Print ads therefore follow a classic consumer electronics magazine and newspaper pattern. Parents and kids buy software together, so the family audience reached by tv spots is appropriate. Software ads have also been running for three years in Warner-owned *DC Comics*.

"There are things we can do in the comics that are not possible on tv, such as exaggerated drawings. The subject in the comics ads is always software," says Sklaver. "We also use those ads

Michael Moone, president of Atari, believes Atari's built-in, research is "almost foolproof."

been since before I came on board. Even in the coin-op business, that's a consumer business. Our company objective has been to be the leading, innovative consumer product company. For instance, we're working on new technology now, beyond home computers, which is our next growth area, that has really nothing to do with either video games or computers."



Pac-Man is newest and most popular — and is the subject of a specific push in major media.

Next conquest: home computers?

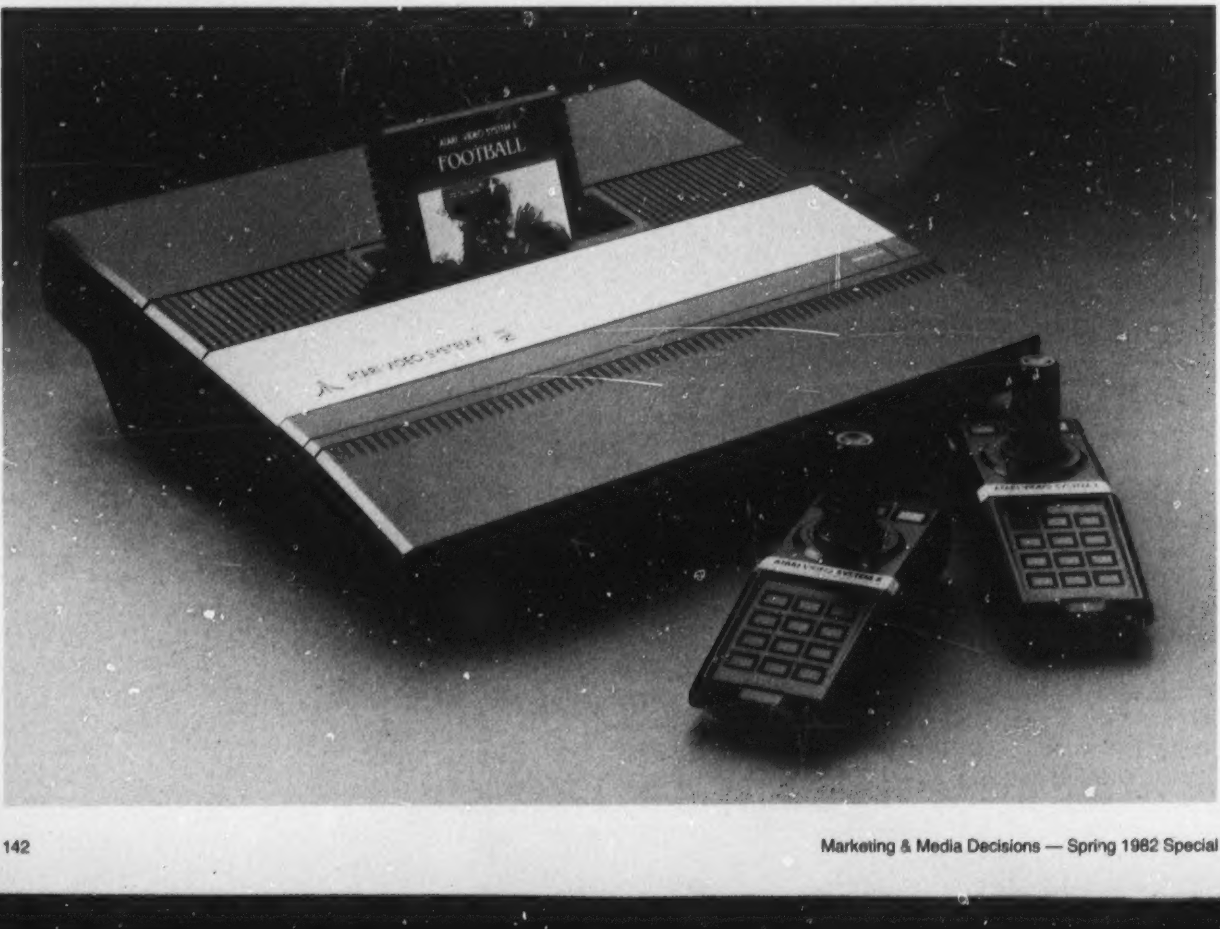
For now, and for the past year, computers have been the "next" area for Atari. Positioning theirs as a true "home computer" similiar to the Commodore VIC, the Radio Shack Color Computer, and a new model from Texas Instruments, Atari is avoiding the "personal computer" designation of the likes of the Apple II, the Radio Shack TRS-80 II and III, Commodore Pet, etc.

Kassar hints that 1982 may be the big change year for computers — even as 1980 was for video games. "You don't grow a tree in three months," he says. "We are building the foundation now." That foundation is partly composed of the success of Atari's video games, partly that of the "personal," or very small business computer.

Atari's agency for the computer, as well as for corporate communications, is Young & Rubicam. It is estimated that ad spending on the Atari computer in '82 will be near $10 million, though it has barely begun.

Add to this years of R & D on the product, two years of foot-dipping into the computer marketplace, and perhaps the largest team of development engineers in this fledgling indus-

Atari's new advanced game system is housed in a streamlined console. The more people buy these units, the more people will want to buy the game software — and that's where Atari expects to make a killing.



try, mix well, and you may well have the next consumer electronics product to be dominated by Atari and its enterprising team.

You'd think they had their hands full with the one they've already got going in the marketplace.

Competition left behind

The Atari ad blitz this year is simply taking the industry by storm. With its $125 million factory and retail advertising budget, the other game advertisers are being left in the metaphorical dust. But then, Atari's budget for 1982 dwarfs its 1981 budget, which according to Leading National Advertisers, led the industry with a total of $22,800,400. In fact, Atari's 1982 budget dwarfs even the category, which includes cassette tapes, television antenna systems and a variety of sophisticated home video and audio equipment. The total for that whole category last year came to $56,113,700. So at one fell swoop, Atari more than doubles the category total.

The latest responder to the Atari challenge is North American Philips Odyssey division. Last year, Odyssey was the third ranking spender in the category, with $5.2 million being measured by LNA. Sixty percent was spent in network television, and the rest pretty evenly divided between magazines and spot television.

But even when Odyssey decides to quadruple its ad budget for 1982 for its new generation of games, it doesn't quite match Atari's total for the previous year. With a total of $25 million in advertising and sales promotion, Odyssey is still coming in $100 million behind Atari.

That jump in budget demonstrates again just how hot the computer game category is becoming as a marketing and advertising arena.

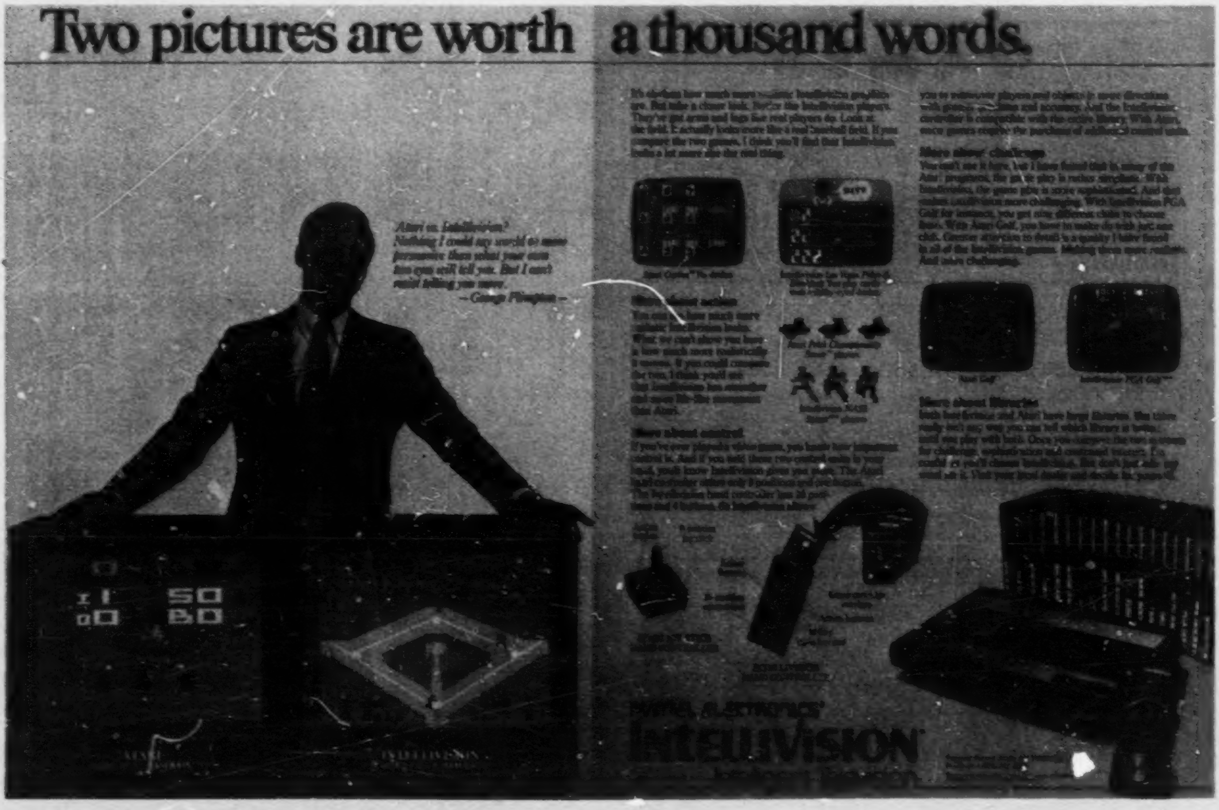
In April, Odyssey unveiled its new games at the ballroom of the World Trade Center in Manhattan, the first big move, but an expected one, since the brand was acquired by North American Philips, to join its other electronic brands, Magnavox, Philco Sylvania. In fact it was Odyssey that introduced the first home video game in 1972, and in 1978, introduced microprocessor technology to the field and the first videogame to include an alphabet and number keyboard. But all of that didn't keep Atari from gobbling up the game market.

In a new twist, Odyssey is taking the emphasis off hand-eye coordination and introducing the element of thought, a genuine switch for this game category, with the introduction of "The Great Wall Street Fortune Hunt." The suggested retail price for this game, as for the other new ones from Odyssey, is $49.95.

This new game is designed to duplicate real life pinnacles and pitfalls of Wall Street. The thrills of high finance spring to life on a colorful gameboard that combines with a video game cartridge to simulate all the excitement of the New York Stock exchange. A true-to-life ticker turns any television screen into the big board as the latest market quotations flow across the screen.

A key question is whether the market is ready for games of mental interaction. Odyssey's other new games, Quest for the Rings, and Conquest of

Mattel goes head-to-head with Atari over quality of graphics of game figures.



1981 media expenditures for electronic games

Brand	Total	Magazines	Network tv	Spot tv
Activision	$ 1,864,200	$ 501,400	$ 670,200	$ 692,600
Mattel	9,076,500	612,800	5,468,600	2,995,100
Odyssey	5,200,300	1,016,500	3,148,000	1,035,800
Atari	22,800,400	1,804,300	18,915,600	2,169,700

Source: Leading National Advertisers, Broadcast Advertising Reports

the World, Freedom Fighters, and Pickaxe Pete, will rely on the traditional mode of hand-eye coordination.

At the introduction, an audience of press and guests from Wall Street brokerage houses appeared to be much more interested in the traditional arcade type games that require little thought. But Odyssey is gambling, or at least testing the waters, to see if the computer game market has risen above the level of tic-tac-toe to a form of electronic Monopoly.

In its own research, Odyssey and North American Philips finds an expanding goldmine of sales and marketing opportunities. David M. Arganbright, vice president and general manager of Odyssey said, "Research indicates that the domestic video game industry will sell five million game consoles in 1982, increasing market penetration to 14 percent. Considering the fact that the typical owner buys an average of six cartridges within one year after purchase of the game, and that number reaches about 10 cartridges after a year of ownership, one can see the lucrative profit potential." Some observers, he notes, estimate that video game penetration will reach the point of 20 percent by the end of 1983.

Arganbright foresees a growing demand for players having an active role in the video games they play. "In the next few years, there probably will be a merging of video games and home computers.

The video game was the first medium in which the user totally controls the television set and it's made people comfortable with this type of interaction. In the future, players are going to demand an even more active role in their games. We plan to accommodate this consumer demand by taking greater advantage of our keyboard's user-programmable capabilities."

Arganbright said that in addition to video-board games, the other major development in software will be "talking" cartridges, which will be available later this year. Odyssey's upcoming voice and sound module, for example, attaches to the existing

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PLAYBOY INDUSTRY VIEW: JAN SODERSTROM

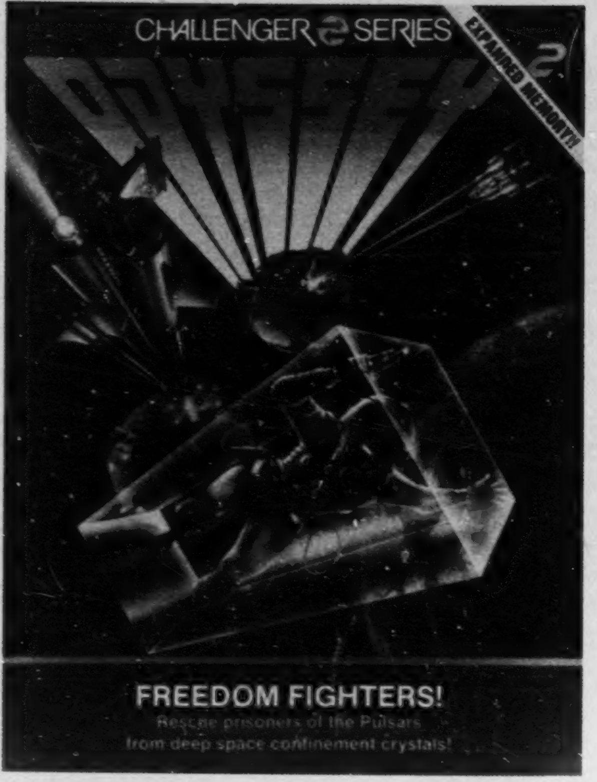
comments on reaching the consumer-electronics market, from the v.p. of advertising, atari, inc.

PHOTOGRAPHY BY BARON WOLMAN

"Video games are hot right now because they're different from other forms of entertainment. They're interactive—people can help determine the outcome of the story line."

"The games are not passive entertainment. Not surprisingly, the people who buy our products lead active, energetic lives. They're heavy information seekers."

"It's important for us to be in a magazine that appeals to that sort of person. We want to reach opinion leaders—the people who want to know what the latest thing is."



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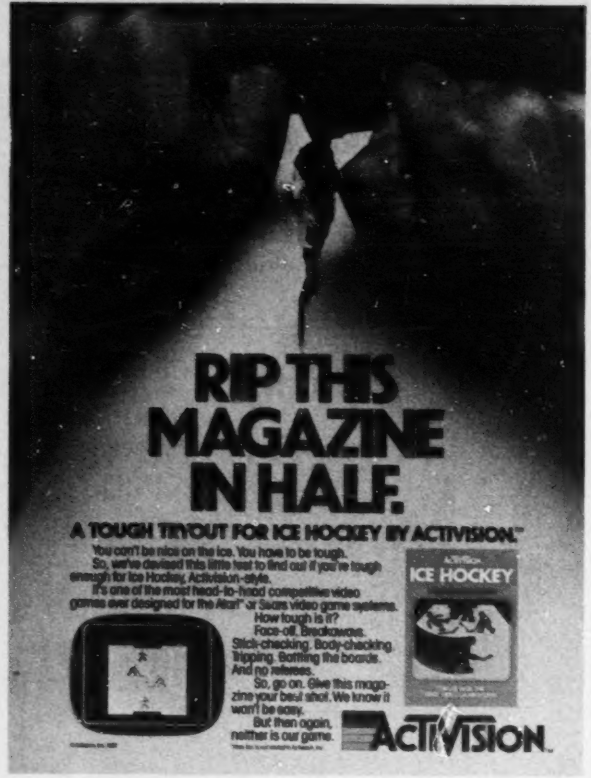
ODYSSEY^2

EXPANDED MEMORY!!

FREEDOM FIGHTERS!

Rescue prisoners of the Pulsars from deep space confinement crystals!

Odyssey challenges Atari with space invaders game.



RIP THIS MAGAZINE IN HALF.

A TOUGH TRYOUT FOR ICE HOCKEY BY ACTIVISION.™

You can't be nice on the ice. You have to be tough.

So, we've devised this little test to find out if you're tough enough for Ice Hockey, Activision-style.

It's one of the most head-to-head competitive video games ever designed for the Atari® or Sears video game systems.

How tough is it?

Face-off. Breakaways. Stick-checking. Body-checking. Tripping. Bathing the boards. And no referees.

So, go on. Give this magazine your best shot. We know it won't be easy.

But then again, neither is our game.

Activision touts hockey as tough game to play on tv.

PLAYBOY: Reach the readers who are first with the latest. Reach them in PLAYBOY—where American men go to find out about the things that interest them most.

Entertainment. Sports. Fashion. Fiction. PLAYBOY is the source. And no other general-interest magazine gives greater coverage of consumer electronics—including video hardware and software—than the American male's favorite magazine.

Armed with authoritative information, PLAYBOY readers form the vanguard of the Electronic Revolution. For example, 26 percent of PLAYBOY readers already own video games.

Advertise in PLAYBOY. And be the latest thing in the PLAYBOY reader's life.

The Playboy reader. His lust is for life.

Source: MRI, Fall 1981; PLAYBOY Subscriber Study, Spring 1981, conducted by Leslie A. Riffkin & Associates. ©1982 by Playboy.

Odyssey hardware, and with new cartridges, will be able to speak messages typed on the keyboard and give spelling and math drills. Speech enhancement also will be added to some of Odyssey's existing cartridges, and all existing cartridges will still be compatible with the system.

Odyssey sees the cartridge retail price as being immensely profitable to retailers, and no doubt so is Atari's cartridge business. Last year, an Odyssey trade ad campaign spelled out to dealers exactly how they could make a million dollars in cartridge profits alone over a four-year period. It could be done by selling 1,786 Odyssey video game systems.

If today's sales forecasts are on the mark, even those heady figures might prove to be conservative projections.

Elsewhere among the competition, emphasis is placed on the visual quality of the game figures, the realistic evocation of the game environment. Mattel's Intelevision features spokesman George Plimpton to draw invidious comparisons between Intelevision's depiction and Atari's rendering of game figures and background, pointing out that Intelevision's are more realistic and also more complete.

That raises the question of just what people buy their home television games for, visual delight and as authentic as possible game background, or the chance for raw combat with the limited form of intelligence represented by the console computer and game program.

Mattel has been the most willing to go head to head with Atari on network television, and last year was the second biggest spender, at just over $9 million in LNA measured media. But Atari comes back with its huge inventory of games.

There is also social spill-over in the marketing of electronic games. Some parents have become alarmed at the degree to which their children appear to be willing to become servomechanisms to a video screen.

Undoubtedly, controversy and social speculation will surround the growth and development of computer games and the direction they suggest for society. As they move from the arcade into the home, in ever increasingly sophisticated forms, they will take time away from mere television viewing.

Neil Weinstock

SOFT DRINKS

15 TOP MARKETING SUCCESSES 1981

Sunkist

What's in a name?

General Cinema Corporation found out when it bought the rights to use the Sunkist orange brand name for a new orange soda. The massive consumer recognition and acceptance of the brand, along with astute marketing and distribution, made Sunkist Orange Soda a $30 million sales gold mine in 1981. But even at that, it took a lot of courage and $23.1 million over three years to reach profitability.

Sunkist
Sunkist

SUNKIST ORANGE SODA

Russell Hamlin, president, Sunkist Growers
Mark Stevens, president, General Cinema

Foote, Cone & Belding

Four years ago, the name Sunkist meant oranges and lemons.

Today it means oranges, lemons and carbonated soda as well.

The growth of Sunkist brand orange soda from a test market product in 1978 to the 10th best selling soda in the U.S. in 1981, is little short of sensational. That such a performance should be achieved in the orange flavor category makes the accomplishment astounding. These days, even getting a cola off the ground is a demanding proposition, as Walter Mack, founder of the defunct King Cola Corporation, well knows.

The orange flavor category in soft drinks has been in a state of disarray for some years. In the 1970s, no one brand was able to develop preeminence. There were over 400 brands, none with a sure grip on the market. By the time Procter & Gamble purchased Crush International in August 1980, Sunkist was well on its way to a resounding success.

At the end of 1981, Sunkist was closing in on a 2% share of the U.S. soft drink market, within striking distance of its goal of 3%, which would give it the fifth spot among soft drink brands.

The responsibility for that success rests in two areas — product development and shrewd, sound marketing.

Plans for the introductory program of the Sunkist brand were conceived by Russell Hamlin, president of Sunkist Growers, Inc., and Charles Johnson, export sales manager, back in 1974. Sunkist Growers supplies 50% of all fresh oranges in the U.S. and 70% of lemons. Sunkist Growers developed the product, and General Cinema Corporation, the largest independent bottler — as well as the largest theater chain in the country — took on bottling, franchising and distribution.

But why orange soda? Because it was an undeveloped flavor category that had no real brand leadership.

John Stacy, in his soft drink market

2 Liter
Lightweight Plastic
Sunkist
Sunkist
Good Vibrations

Top 10 soft drink brands

Brand	1981 market share	1981 Cases (000)[1]	1980 Cases (000)[1]	1981 Brand Growth
Coca-Cola	26.5%	1,495,000	1,452,000	3.0%
Pepsi-Cola	19.5	1,100,000	1,045,000[2]	5.0
Dr Pepper	4.9	277,000	301,300	(8.1)
7Up	4.9	275,000	296,000	(7.4)
Tab	3.5	196,000	175,300	11.8
Mountain Dew	3.2	178,970	169,000[2]	5.9
Sprite	3.0	168,500	153,400	9.8
Diet Pepsi-Cola	3.0	168,000	150,960[2]	11.1
Royal Crown Cola	2.7	152,000	164,400	(7.5)
Sunkist	**1.7**	**98,000**	**82,200**	**19.2**
Top 10	72.9%	4,108,470.0	3,990,460	2.96%
Other brands	27.1%	1,524,315.1	1,488,370	2.42%
Total industry	100.0%	5,632,785.1	5,478,830	2.81%

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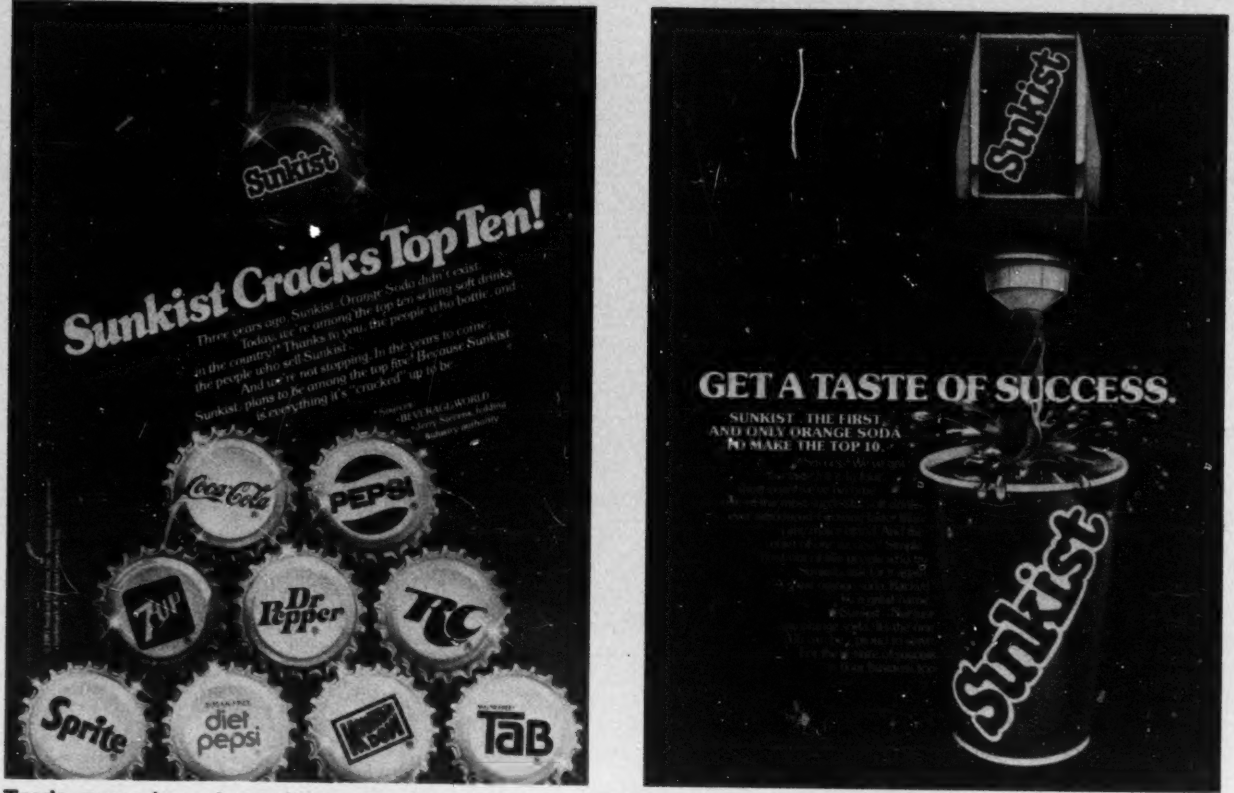
[1] Eight-ounce equivalent cases
[2] Revised 1980 cases

Source: *Beverage World* estimates based on industry contacts.



Sunkist Cracks Top Ten!

Three years ago, Sunkist Orange Soda didn't exist. Today, we're among the top ten selling soft drinks in the country!* Thanks to you, the people who bottle, and the people who sell Sunkist.

And we're not stopping. In the years to come, Sunkist plans to be among the top five! Because Sunkist is everything it's "cracked" up to be.

*Source: -BEVERAGE WORLD -Jerry Steinman, leading industry authority

GET A TASTE OF SUCCESS.

SUNKIST. THE FIRST AND ONLY ORANGE SODA TO MAKE THE TOP 10.

Trade magazine ads exult over cracking the top ten in soft drink sales (left), and plug retail counter sales. Sunkist's ad copy to the trade consistently underscores the brand's rapid growth.

study commissioned by *Beverage World*, noted that "Orange is the 'universal' flavor for all people; the old, the young and the in-between. All ages, both sexes, the ethnic market, and all seasons."

As Sunkist went into test market in 1978, initial research indicated strong consumer preference for the brand as well as high repeat sales and seasonal volume compared to Coke and Tab.

Test markets for Sunkist included the New York metro area, Rapid City, South Dakota, Winston-Salem, North Carolina, Shreveport, Louisiana and Texarkana, Texas. Only a few months after the test market introduction in January, the brand moved to the number three spot in the New York metro market — significantly behind Coke and Tab.

Stacy's analysis of the subsequent success shows four major factors:

1) The Sunkist name, which is synonymous with orange flavor, carrying strong connotations of fruit flavor, purity and nutrition.

2) The bold orange package design with a bright blue logo that retains the Sunkist heritage with dramatic shelf impact.

3) The use of the old Beach Boys song, "Good Vibrations" as the advertising theme in broadcast media. The song also reinforces the brand image by suggesting the mood and ambiance of the California lifestyle.

4) Sunkist filled a void in the orange flavor segment.

Another vital element is the knowledge of bottling General Cinema acquired over the years. Of the brand's current 420 bottlers, the first 24 were GCC plants, which are strong contenders in the markets they occupy. Additional bottlers selected were usually the largest, marketing the leading cola and diet brands in the market. But selection was also made with an eye to achieving a balanced mix of the leading soft drink brands.

Bottler response to the Sunkist effort has often been favorable, getting such responses as: "Here's a brand that did everything right . . . But then, it's a bottler company, so they know what we need . . . Their programs are designed to work well."

In return for efficient programs from Sunkist, bottlers have been willing to work hard for the brand.

The fact that Sunkist is a one-flavor company and brand has also worked in its favor. No element of confusion has been added to the idea that Sunkist means orange.

In 1980, Sunkist expanded its product franchise with the introduction of a diet formulation. Sunkist's reasoning for the extension runs this way: Sunkist regular is aimed at the youth market, 18 to 34. That left the top age demographics open, so Sunkist positioned its diet version against adults 35 to 49.

With that distinction in targeting, it was assumed that a minimum of cannibalization would occur. Research has since shown that 66% of Sunkist Diet purchasers are new users.

Getting a new brand out in a hurry is an expensive proposition. Realizing that, General Cinema and Sunkist Growers chose a pay-out system to get the brand going. Published data shows that Sunkist had sales of $9.6 million in 1979, against a $10.8 million loss.

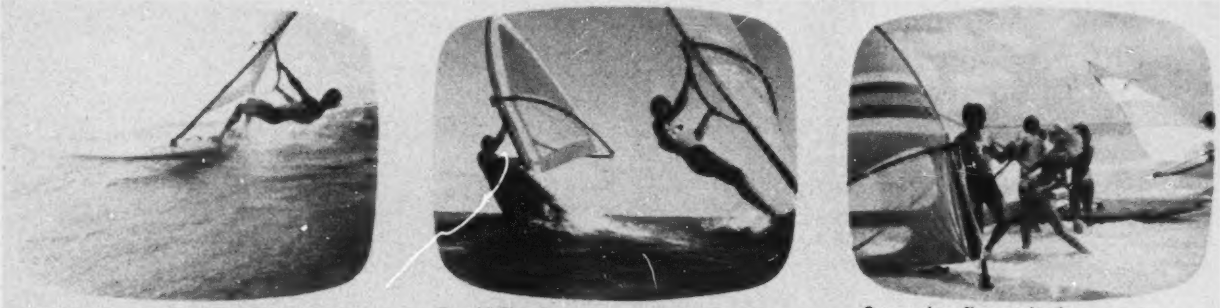
Sales reached $21.5 million in 1980, against an $11.7 million loss. Results for 1981 show $33.7 million in sales and a $4.7 million dollar loss.

The 1981 annual report states that Sunkist Soft Drinks operated with a profit in the last quarter of the year, and says the division "has turned the corner."

Sunkist's advertising strategy has been primarily local while it moved out to national distribution. In 1979 and 1980, spot television and radio were the exclusive media choices for the brand. Last year the media selection was more national, as distribution for regular reached 93% of the country, and diet had reached 64% of markets.

Sunkist has definitely not lost sight of the necessity for strong local pro-

Storyboard for tv commercial features young people getting "good vibrations" out of Sunkist.



MUSIC: (GOOD VIBRATIONS) Good Good Good

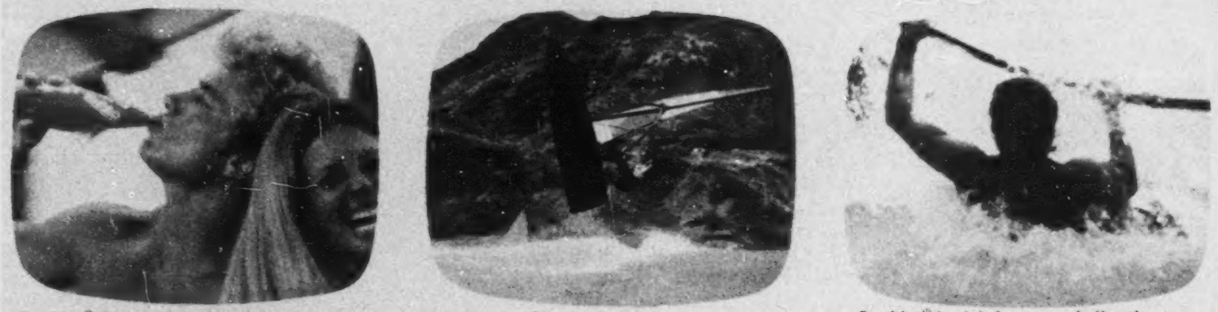
Good Vibrations

Sun and surfing excitation

call for Sunkist®

good vibrations.

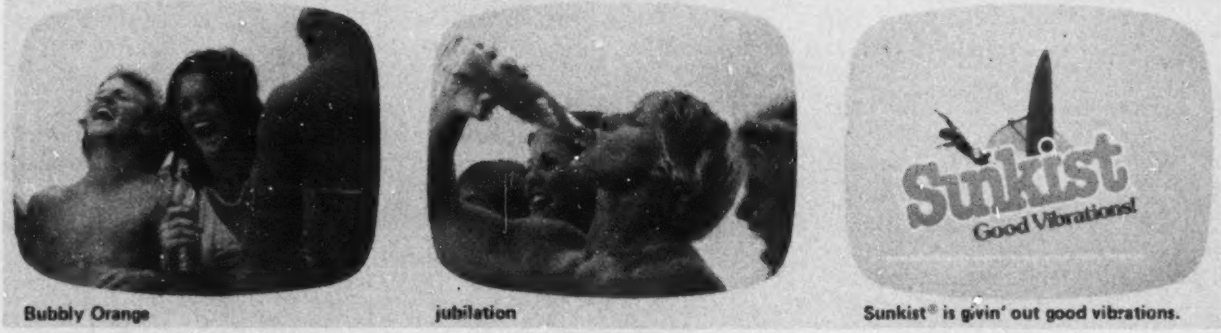
Bubbly orange jubilation



Sunkist® Orange Soda

taste sensation

Sunkist® is givin' out good vibrations.



Bubbly Orange

jubilation

Sunkist® is givin' out good vibrations.

grams that the regional bottler can depend on and merchandise to the retail trade.

The ground work for success was laid by three individuals, Sunkist Soft Drinks, Inc. president Mark Stevens, vp-national sales Peter Murphy and treasurer Ray Sisson. Murphy has reminisced about the company's start in 1977 in previously published material: "There were just three of us, Stevens, Sisson and me. Before we moved into these offices, we were in a basement for three months and spent all our time doing market research."

Three key questions had to be answered, he related: would consumers like the drink? would it achieve repeat business, and would it maintain strength across seasonal lines?

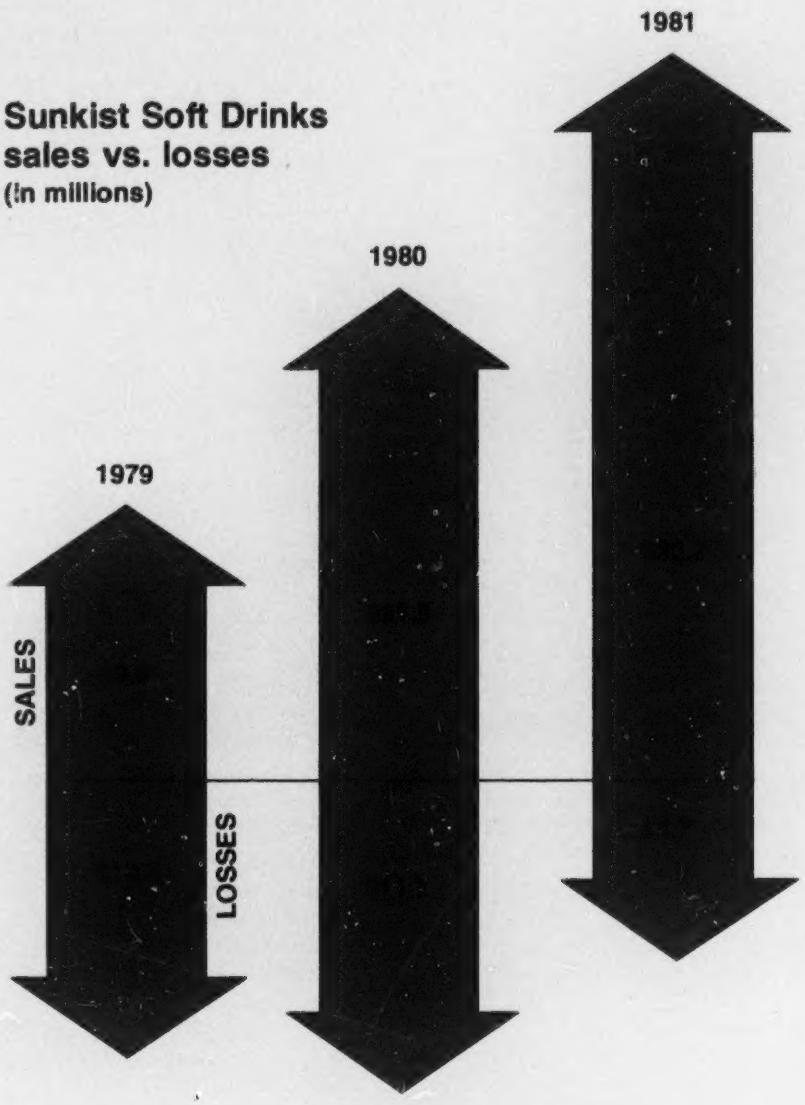
Their research showed a substantial market for an orange soda of 330 million 12-ounce cases in 1977, accounting for 7.5% of U.S. soft drink volume. Orange Crush and Fanta each had a 1% share. But even Fanta, at best, had 70% national distribution, and through bottling companies that had little enthusiasm for the product. New York Coca Cola, which bottles Fanta, did little or no merchandising or promoting for the brand. Neither the Los Angeles nor Houston Coke bottler handled Fanta. It was a vulnerable brand.

Orange Crush was distributed in 65% of the country, and also seemed vulnerable to a solid marketing entry.

Continuing the story, Murphy explained: "We had a 33-week schedule to open in six lead markets, by May of 1978. In that time period we had to plan marketing, advertising, package design, and most important, arrive at our final product form from the 36 different formulations we started with. Well, we made it," he said.

President Mark Stevens then developed the theme: "There's an art to new product development. Taking famous brand names associated with flavor excellence and transplanting them into other brands has been done in the food industry — for example: Dole pineapple upsidedown cake under the Betty Crocker label. But it had never been done in the soft drink industry prior to Welch's.

"We made a hefty commitment to research and development. The orange soft drink market is a $1 billion-a-year retail business and certainly justifies a national brand," he explained. "We aimed to build our product with national brand equity."



Sunkist Soft Drinks sales vs. losses
(in millions)

Stevens also extols the decision to focus exclusively on the orange flavor category in what he calls a rifle shot approach. And there are several ways to go at that. "One is an attempt to create a new taste category with new flavor appeals (say apple or pineapple).

"Such an entry is quite bold and much more difficult than the second type, brand innovation within an established category of consumer interest. In the latter, you identify an existing flavor preference, like the 100 year old interest in carbonated orange drinks, and then you go after that market aggressively, as we're doing. The risk is lower with this type of entry; I feel it's a superior alternative and can provide something that will last," Stevens said.

Stevens also sees flavor specialization as an expected development —

one that has occurred before in many packaged goods product categories. "Specialization trends in the soft drink industry are following those in other established packaged goods industries. In the breakfast cereal business, for instance, consumers buy from a pool of about six brands. Any brand that cracks that pool is a success. In the soft drink industry, consumers also generally remain loyal to a pool of a few brands. Sunkist is cracking that pool instantly."

Stevens assures, "We have no intention of being a flavor house."

Stevens attributes the success of Sunkist to the total package that has been designed to bring the product to market. "The success of the brand depends on so many things working together — the heritage of the Sunkist name, the Beach Boys, the selection of bottlers, our own bottling operation, the quality of the product itself," he told *Decisions*.

Creative for the campaign, which now seems so naturally associated with the brand, just didn't fall into the company's lap as a gift from the gods. "Our agency, Foote, Cone and Belding, Chicago, came up with about 600 possible campaign ideas. That number was studied and winnowed down to about 60 ideas. These were tested on consumers at shopping centers and other consumer locations. And out of that, the 'Good Vibes' execution proved to be the winner. It won on the basis of recall and effect on sales," Stevens said.

Selecting media for the campaign proved to be less problematic. It is a classic example of using local opportunities to the best advantage while avoiding the astronomical costs of a national broadcast campaign. Sunkist, with FCB, focused on spot television and spot radio, paying only for those markets where it has distribution.

A key factor in sticking with broadcast, Stevens said, is the musical theme, the Beach Boys hit "*Good Vibrations*": "The music is very important. That's the main reason why we have stayed out of print."

The use of spot tv is usually associated with a roll-out mode; this is one reason that Sunkist used it so extensively in its introduction. But there are other factors. Spot tv also allows Sunkist to tailor media schedules and weight to the needs of the individual bottler and market and get the maximum reach for its dollars by going in on a 50/50 co-op basis with bottlers.

Some network television has worked its way into Sunkist's 1982 schedule, but this year the company remains primarily a spot advertiser.

Stevens explains that the company wants its introductory phase to be complete before it ponders any kind of commitment to network television.

But while the company did eschew consumer print, that medium wasn't overlooked for promotion to the trade. Sunkist used an unusually heavy schedule of four-color print ads in the beverage industry trade magazines. The copy in these ads consistently underscored the remarkable growth of the brand in three years. And the ads pressed home a point that Sunkist has an 80% repeat purchase rate, one of the most remarkable of any beverage.

Larry Vodak, account supervisor at FCB said, "We relied heavily on the trade publications in comparison with the rest of the soft drink industry."

The future for the brand looks exceptionally bright. John Stacy's *Beverage World* analysis makes most of the major points:

"We believe that Sunkist has set a new course and given the industry a more comprehensive paradigm for brand development. And not just for fruit flavors . . . but any flavor. It tilts the balance in favor of the dedicated (one flavor) brands' as well as accelerated, full scale brand development.

"This means a megabuck investment . . . and mostly investment spending up front. It means a clear precise definition of market. In essence, 'rifle shot marketing.'

"Finally, it means a very strong continuous focus on the marketing fundamentals of soft drink marketing: the bottler and local market effort as well as an approach to reach the total market; retail, fountain and vending. Certainly, there are other brands that also can be used as a case history for successful brand development, but none have demonstrated the accelerated and fine-tuned approach compressed into a few years of time frame as Sunkist did." *Fred Gardner*

Sunkist takes the caffeine out

Being typically one jump ahead of the market and the times, Sunkist decided late last year to remove the caffeine from its soda. The furor over caffeine broke in March when Seven-Up announced a new advertising campaign in which it would make the absence of caffeine in Seven-Up a major consumer product benefit.

Simultaneously, Royal Crown announced a new caffeine free cola to supplement its dietetic caffeine-free RC 100. And two weeks later, Seven-Up got into the act again with the introduction of a new caffeine-free cola under the brand name, Like.

While caffeine has not been proven a health hazard, some beverage consumers would prefer to avoid it because of its effects on the nervous system and general mood. Most soft drinks, including Coke and Pepsi, and even the lemon/lime flavored Mountain Dew and Mello Yello include caffeine.

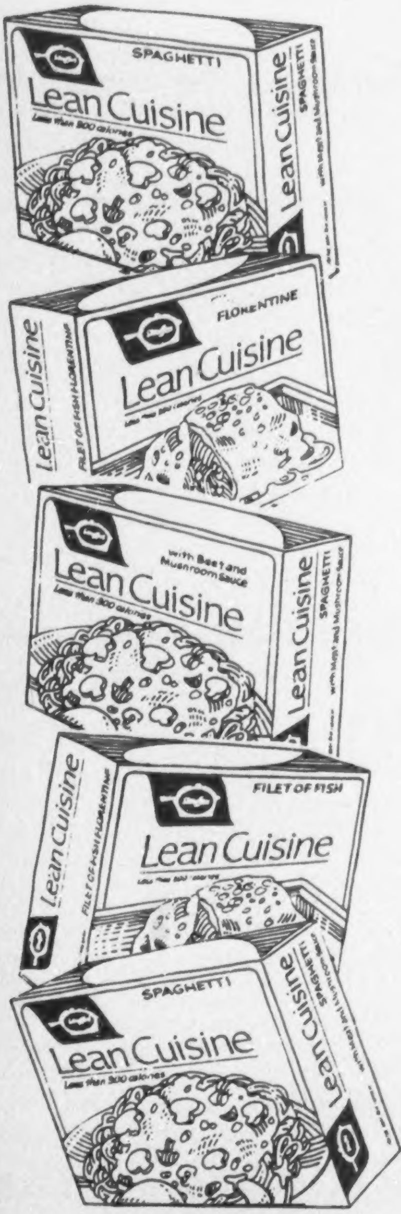
Sunkist president Mark Stevens explained why Sunkist decided to remove the caffeine from its product: "In our experience, caffeine was a moderately controversial issue as a food flavoring ingredient. To this day it is still more of a controversy although it has been used as a food additive for over 4,000 years.

"But in 1980, we found a substitute formula. Out west, we simply omitted the caffeine, but we were never satisfied with the performance of the product and consumer acceptance without the caffeine. We set about finding natural flavor ingredients that did the same job as the caffeine did. In 1980, we found that formula."

15 TOP MARKETING SUCCESSES 1981

Stouffer's 300-calorie coup

Stouffer's introduced Lean Cuisine last February, and captured ten percent of the frozen entree market before either the product or its advertising went national. The single serving, 300 calorie entree is now available nationally in ten varieties, with four more due this month. Aimed at a broad, dual audience, Lean Cuisine's success is built on Stouffer's reputation for quality and savvy introduction of the right product at the right time.



LEAN CUISINE

Barbara Krouse
vp-product development

Creamer

Diane W., an attractive, 32-year-old middle management executive in New York City, has a weight problem.

To control her problem, she watches what she eats, and is constantly on the lookout for new ways to blend good eating habits with her hectic schedule.

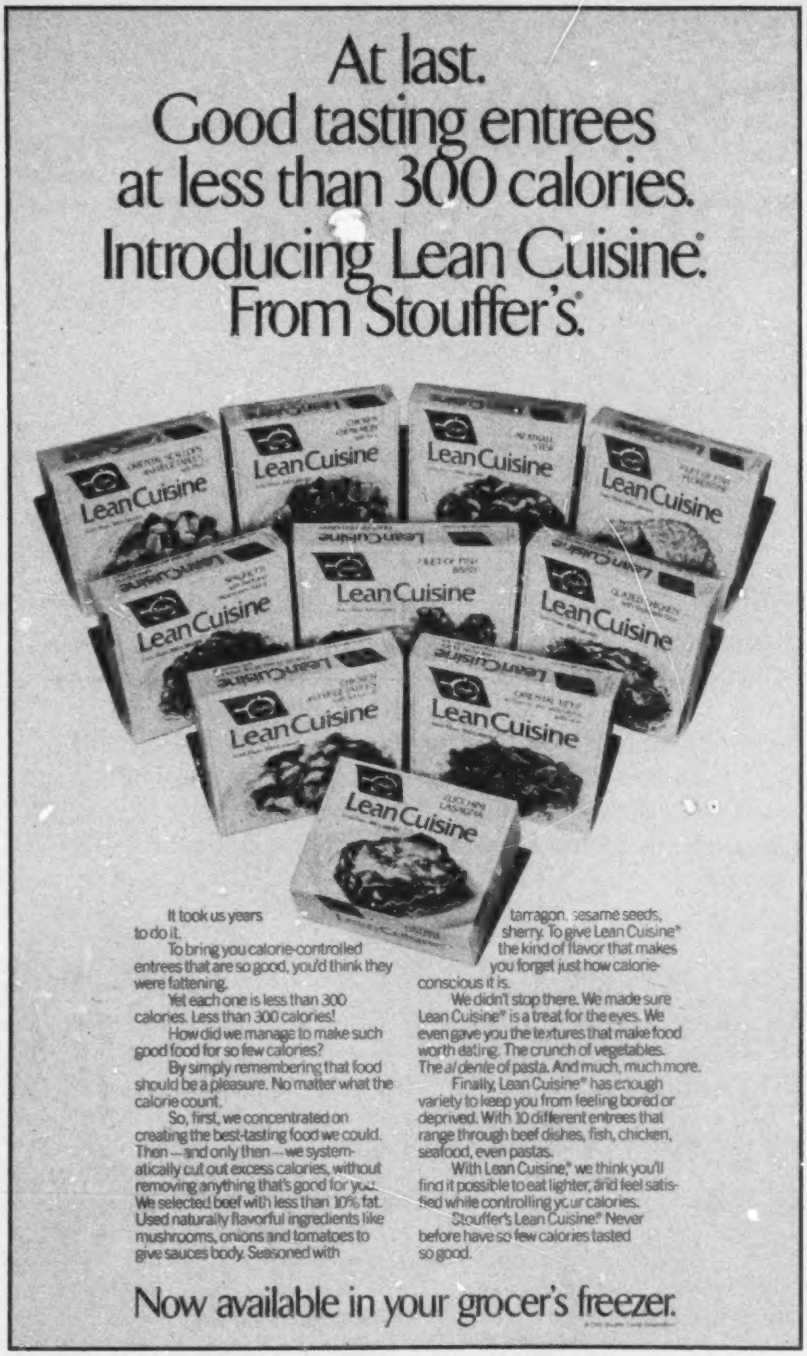
"One night right around Christmas last year, I noticed packages of Lean Cuisine next to other Stouffer's products at the grocery store," she recalls. "I picked up the package, saw the under-300-calorie claim, and thought, 'This is for me.'"

Diane W. has become a loyal repeat purchaser of Stouffer's new runaway success in the frozen food entree category, and her reasons for buying Lean Cuisine typify the elements of the new product's success.

These include the ruboff of the quality image Stouffer's maintains for all its products; convenience for health-conscious, light eaters and dieters, a rapidly-growing market segment; and packaging that stands out among other products in the frozen food section.

Lean Cuisine seems to be the right product at the right time. The product's rollout in February 1981 was supported with $1.5 million in spot television, newspapers and magazines, and a direct mail drop corresponding to the television schedules.

The single-item entrees are under 300 calories and appeal to anyone dieting or looking for a low fat, low cholesterol diet food, and have appeared at a time when many Americans have been hit with fitness fever. There are special magazines devoted to taking care of one's body and health, and health spas and fat farms have become big business. Uppermost for a large segment of the population — whatever the age or sex — is feeling as fit as possible. People are jogging — with or without Sony Walkmen. At cocktail parties conversations center on weight loss and exercise. A well-conceived, low calorie product is


Lean Cuisine
Zucchini Lasagna

At last.
Good tasting entrees
at less than 300 calories.
Introducing Lean Cuisine.
From Stouffer's.

It took us years to do it.

To bring you calorie-controlled entrees that are so good, you'd think they were fattening.

Yet each one is less than 300 calories. Less than 300 calories!

How did we manage to make such good food for so few calories?

By simply remembering that food should be a pleasure. No matter what the calorie count.

So, first, we concentrated on creating the best-tasting food we could. Then — and only then — we systematically cut out excess calories, without removing anything that's good for you. We selected beef with less than 10% fat. Used naturally flavorful ingredients like mushrooms, onions and tomatoes to give sauces body. Seasoned with tarragon, sesame seeds, sherry. To give Lean Cuisine* the kind of flavor that makes you forget just how calorie-conscious it is.

We didn't stop there. We made sure Lean Cuisine* is a treat for the eyes. We even gave you the textures that make food worth eating. The crunch of vegetables. The *al dente* of pasta. And much, much more.

Finally, Lean Cuisine* has enough variety to keep you from feeling bored or deprived. With 10 different entrees that range through beef dishes, fish, chicken, seafood, even pastas.

With Lean Cuisine,* we think you'll find it possible to eat lighter, and feel satisfied while controlling your calories.

Stouffer's Lean Cuisine.* Never before have so few calories tasted so good.

Now available in your grocer's freezer.

Announcement ad in newspapers stresses "300 calories or less."

likely to get good word-of-mouth advertising support.

But no matter how much exercise, for every pound a dieter wants to lose, 3,500 calories must be eliminated from the diet. A six-ounce steak dinner with before-dinner drink, vegetable, potato, salad, pie and coffee totals about 1,466 calories, not to mention breakfast and lunch. Lean Cuisine can cut dinner calories by over 1,000.

Considering the company's history in frozen food package goods, Stouffer's success with Lean Cuisine is not surprising. Stouffer's entry into frozen food was somewhat backwards — through the kitchen door. In the mid-1940s, the company opened its 15th restaurant, in the affluent Cleveland suburb of Shaker Heights. Regular customers began asking if their favorite dishes could be packaged to take home, and as demand grew, Stouffer's began experimenting with freezing popular menu items.

After perfecting freezing techniques, a frozen food outlet was opened adjacent to the Shaker Heights restaurant. In 1954, the new frozen foods division was operating in a new plant in Cleveland. Stouffer's eschewed the established lines of frozen foods and introduced prepared entrees, vegetable and potato side dishes, soups and desserts.

By 1956 distribution of the line was national. The line was most popular in upper-income areas, but by 1963 Stouffer's was determined to extend the line's consumer franchise to other income areas as well. A series of trade ads guaranteed a ratio to retailers of $15 profit on sales of $51 — to indicate that these high ticket items would justify their space in frozen foods cabinets.

After winning over the retailers, Stouffer's began what was at the time the largest advertising campaign in the frozen food industry. The campaign reached an estimated 23 million homes with media buys in national magazines, Sunday newspaper supplements, outdoor and broadcast.

Traveling "Lean Team"

Part of the initial promotion work done by Stouffer's to introduce Lean Cuisine was to put together a team of two women, a nutritionist and an athlete, to travel to test markets and appear on local media.

The "Lean Team" consisted of Gayle Barron, winner of the women's division of the 1978 Boston Marathon and Susan Rapoport, staff nutritionist for the Cleveland Clinic. They appeared on radio and tv talk shows, and met with magazine and newspaper editors to discuss the new Stouffer's line.

This was a new concept for Stouffer's. Milt Miles, manager of new ventures, explains, "it was the first time we used a heavy public relations push."

The team also authored a 24-page booklet "On The Way to Being Lean" which is available free to consumers. The booklet includes a 14-day diet plan for both men and women, with suggestions for 1,600- and 1,200-calorie daily schedules. The meals, besides being low in calories, are well-balanced nutritionally and always include a Lean Cuisine entree. The promise is that, if the 14-day diet plan is followed, women will lose two pounds a week and men four — encouraging news in early spring when many have the pre-bathing suit blues.

Stouffer's felt the public relations work done by the "Lean Team" was successful enough to be expanded. Consequently, two more teams are now touring the U.S. each covering a different part of the country. The new teams are set up with a nutritionist and athlete as well. Appearances are scheduled ahead of major media thrusts whenever possible.

Confessions of a Lean Cuisiner

How successful has Lean Cuisine's launch been? Perhaps the best gauge in answering the question is customer response. Our interview with Diana W. sheds further light on the success story.

"Even though I have a lot of client lunches I want to eat something at night but nothing heavy. I'm tired when I get home and I'm not interested in cooking or cleaning up afterwards. I live alone and I don't want the fuss. Since I don't eat meat, the zucchini lasagna was one of the Lean Cuisine products that appealed to me. Now it's my favorite. I've got about ten packages in the freezer in case I change plans and don't go out or whatever."

Diana hadn't seen any ads for Lean Cuisine. "I'd have expected to see advertising in health conscious magazines." But she had seen the Stouffer ad featuring a woman executive, tired after working all day, going home to pop a Stouffer's entree in the oven — "I guess that had some rub off," she says. "The woman in the ad was attractive, and her situation is one I know and believe.

"Lean Cuisine works out well for me. I'll diet all my life, in fact, it is a way of life now. I've lost 14 pounds over the last year or so. I've even got my boyfriend eating it — he doesn't watch his weight but it's easy for him. When his daughter's visiting sometimes they have it for dinner."

Stouffer's has always been committed to marketing superior products and has emphasized products unique to the marketplace. Its red-coral packages

Barbara Krouse is keeper of the seal

The first female vice president of Stouffer's, Barbara Krouse, was one of the major forces behind the development of Lean Cuisine. As vp of product development and quality assurance, Barbara Krouse was responsible for creating the under-300 calorie single entree dinner.

"I've lived with the product from the time the concept was developed, which seems like 20 years ago," she says with a laugh. "That's the rough and dirty time *(What do you think? can we sell it?)*. Then there was the actual presentation of the final product to the marketing management."

"We had found a market opportunity out there. If the average female watching her weight is on a 1,200-a-day-calorie diet, what products should we be marketing? That's how we came up with the 300 calorie hook."

"But we wanted a calorie *controlled* product as opposed to a low-calorie product like Tab. We intended that Lean Cuisine be part of a normal diet because then it would fit into more situations that aren't specialized.

"We didn't want people to feel that they were sitting at the back of the bus just because they were dieting. So this product line had to fit into a normal meal scheme.

"With a 300-calorie limit, the formulating of the product was done entirely differently than our red box line. To hold down calories, we grind our own meat to control fat content, and that's why you see the heavy use of vegetables. We accomplished a more delicate blend of flavors and we used more herbs.

When asked whose idea Lean Cuisine was, Krouse answered this way: "Ideas evolve. The product development group sits down and goes through brainstorming sessions. We've got 15 people in our group, men and women, and through interaction that can generate a lot of ideas.

"We reformulate the products as time goes by to make sure quality is maintained. And we use panels — lots of panels — in-house and consumer. But before we use a consumer panel, we have to feel very comfortable with a product. Lean Cuisine was a hit from the start."

Krouse, like many employees at Stouffer's, has been with the company a long time — since she finished college — and she likes what she does there.

"The thing that's fun about my job," she says, "is that it's constantly changing. I could cut myself into 20 pieces and everybody would still want to see one of those 20 pieces."

Executive team: C. Alan MacDonald, president; Robert L. McGuigan, senior vp; Gerald DeCroce, vp-marketing;

were designed to separate the line from other manufacturers' more conservative packages.

But when Stouffer's brought out Lean Cusine they departed for the first time in many years from that traditional red-coral packaging. This was a risky decision. Would they lose the immediate identity and quality associated with the Stouffer name?

Alan MacDonald, president of the food division commented that the company "wanted Lean Cuisine to be seen as an attitudinal product." Bill Sprague, executive vp at Creamer, agency for Stouffer's, went on to say, "The white package would reflect the attitude the potential consumer would

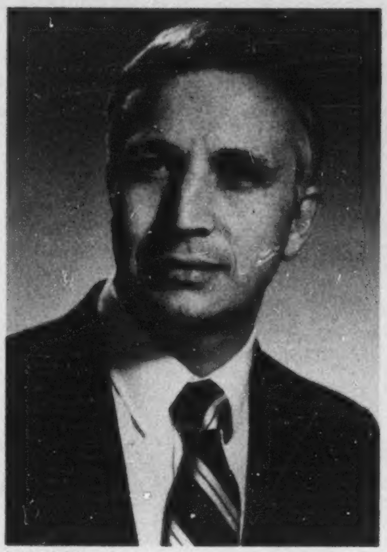
A Condé Nast Package Magazine Copyright 1982 by The Condé Nast Publications, Inc. Source: SMRB 1981

THAT'S GLAMOUR.

She has it. Most every woman wants it. Glamour is a lifestyle that's many-faceted and constantly improving. Glamour is a mindstyle that's emerging and seeks to know. Glamour is the "how-to" magazine for six million readers who've put the fluff of life behind and are stepping into a larger role.

Glamour gives them fashion and beauty information that's rich and stirs the readers' senses, but it is serious and dependable information too. The results: Of all the women's magazines, Glamour is one of the most efficient to reach women in a dozen demographic categories, near and dear to your marketing plans.

To reach these six million readers who are motivated, monied and seeking, find them every month in Glamour.



Milt Miles, manager, new ventures.

Stouffer's frozen foods budgets — 1981

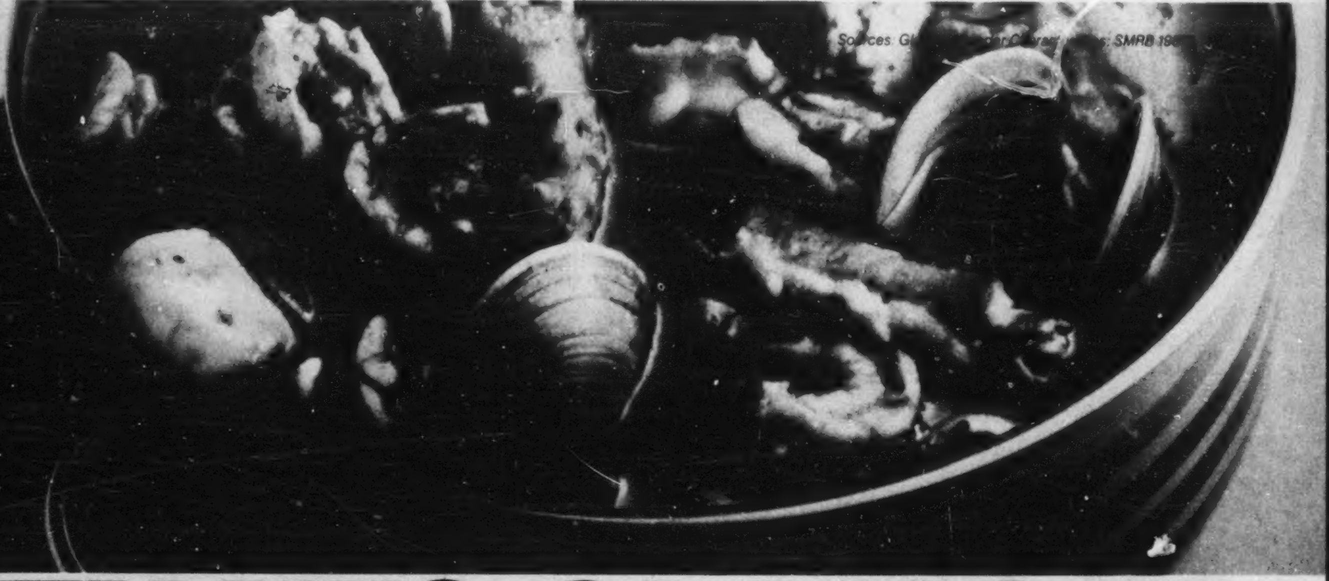
	Magazines	Network tv	Spot tv	Total
Frozen Crepes	[illegible]	—	$1,324,000	[illegible]
Frozen Entrees	[illegible]	$1,491,000	864,000	[illegible]
[illegible]	—	3,263,000	[illegible]	[illegible]
Lean Cuisine	**234,000**	**—**	**1,293,000**	**1,527,000**
Pizza	—	[illegible]	[illegible]	[illegible]
Side Dishes	217,000	—	1,790,000	2,007,000
Total	$2,555,000	$7,585,000	$6,290,000	$15,630,000

Source: LNA/BAR; does not include co-op.

have — one of eating lighter, less-filling foods." The package was designed by Landor Associates, San Francisco, which explored not only the white color but others as well. Stouffer's had never used Landor before.

The Lean Cuisine name, every bit as important as the package design, was one of five choices Creamer presented to Stouffer's.

Although Lean Cuisine is less than 300 calories per entree the product is not seen by either the agency or Stouffer's as one that is narrowly skewed. Alan MacDonald explained the positioning: "The brand's position is much the same as our regular entree line. We wanted the best possibl



THAT'S GLAMOUR.

Glamour, the magazine she turns to for fashionstyle is the same one she seeks to help fashion her lifestyle. Nearly ⅔ of our editorial is not fashion and beauty but everything else in her fast-changing life.

Take food. Today, younger women do more food shopping than women over 40. A whopping 80% of Glamour's readers are in this age category–more than any of the other women's magazines. What's more, when these younger women work (over 80% of our primary readers do) they spend more for food weekly than their non-working counterparts. Glamour edits directly to the busy women's needs with time-saving recipes and entertaining tips.

From food to cars to stereo to anything that makes life fuller for six million readers–That's Glamour.

product in the category. We went after the idea that this food should be as good as 'regular' food."

"We don't believe there is a limited target for this. Dieting is not quite the answer — that concept is too limiting. There isn't just one description of a dieter. You can chase all demographies with this," Sprague reflected.

Magazine selection underscores Sprague's statement. A scattered schedule over the year included: *Better Homes and Gardens, Good Housekeeping, Reader's Digest* and *Redbook*. Jerry DeCroce, vp-marketing at Stouffer's amplified further. "We target to women, but Lean Cuisine also appeals to anyone interested in lighter eating. It's really not so much a target audience based on demographics as it is based on attitude."

Television was bought in all day parts with the restrictions that anything distasteful to the advertiser not be included in the schedule. Sprague found that media "migrated to news and upscale educational programing. We stayed away from violence whenever possible."

"There were two commercials at the introductory level. One illustrated the many varieties of product available, while the second featured a woman spokesperson explaining the product.

"Then we made 'Mirrors;' a pure motivation commercial. The reward for being disciplined enough to eat only 300 calories per meal is that you look better. Here you deal with the psyche. We had some trouble over this commercial. There's a very thin line between concern over appearance and narcissism. We had to be very careful with the execution. There must be ten miles of film on the cutting room floor."

ICE CREAM
FROZEN JUICES
Stouffer's
NEW!
Lean Cuisine

Display cabinet in frozen food sections repeated low calorie theme.

Direct mail pieces were dropped at the same time as the television spots were scheduled. Newspapers were in the schedule, running rop. The frequency objective was to reach 90% of the target audience four times. Bill Spague predicts no changes in the media schedule even with the product now in national roll-out.

Will cable tv be on the media schedule in the near future? "We're not going to experiment with cable when we already have such a successful product/media mix," Sprague replied.

The ten-product line is being expanded to include four more varieties. The introduction of the new varieties is scheduled for testing in Ohio, Pittsburgh, Denver and Omaha.

The competition

Weight Watchers International, manufacturers of low calorie frozen foods insists that Lean Cuisine "hasn't taken away even a case from us!"

Gerald Herrick, president of Foodways National, now a division of H. J. Heinz, almost seems pleased that Lean Cuisine has entered the marketplace. "According to the March SAMI figures, the frozen entree market shows a 13% increase in volume. There's the possibility that Stouffer's is canabalizing their other lines. But as for us — since we reformulated our Weight Watchers line this fall — we are up."

Herrick is also sure that the market for calorie controlled frozen entrees has not peaked as yet. "Obviously I'm in hopes that it doesn't for quite a while. And with 67% (according to our research) of the women in this country either dieting or watching their weight — that adds up to continued growth in this field."

Weight Watcher's has a broad based target much the same as Lean Cuisine. However, Weight Watcher's schedules a larger variety of magazines than does Lean Cuisine. They run in family shelter books — *Woman's Day* and *Family Circle*; broad based books — *Reader's Digest* and *Tv Guide*; fashion magazines — *Glamour* and *Mademoiselle*, plus narrow targeted books like *Self*.

With the reformulated Weight Watcher's came a reformulated ad

PLAY IN PEORIA...
AND YOU'LL PLAY
ANYWHERE!

National Representatives:
Cresmer, Woodward, O'Mare & Ormsbee, Inc.

Peoria is an important isolated test market with demographics that are a cross-section of America. We're a Nielsen Data Market. There's ADI, DMA,SMSA and EBI too.

Play in Peoria now for product success later.

Peoria Journal Star
1 News Plaza. Peoria. IL. 61643 309 686-3035

SFX: MUSIC
WOMAN SINGER: "I love the way it looks on me
Stouffer's Lean Cuisine
Less than
300 calories.
Stouffer's Lean Cuisine.
I love the taste
I love what I see
I love being all that I can be
I love the way it looks
on me
And so does he."
VO: Stouffer's Lean Cuisine. You'll love the way it looks on you."
WOMAN SINGER: "I love the way it looks on me." (MUSIC FADES OUT)

30-second tv commercial was third in series that carried $1.3 million into spot tv in 1981.

campaign complete with jingle (written by the same creative who wrote McDonald's).

Herrick explains their broadcast schedule: "We are in net tv — fringe time to pick up the women viewers."

Herrick sees a difference in the consumer eating Weight Watchers and the one buying Lean Cuisine.

"What do you think of when you hear the name Stouffer's? You naturally think of quality food — they're recognized for good taste. When you hear the name Weight Watcher's what do you think of? I think we get the more serious dieters."

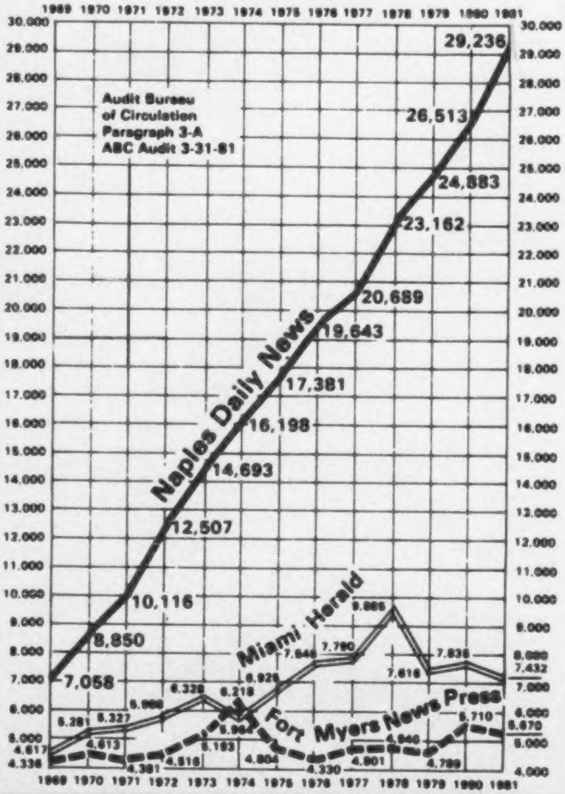
Weight Watcher's line has 26 different products with an average "facing" at the supermarket of 12.

This Spring they added a Southern Fried Chicken. Testing on the product took two years. The roll-out has begun in the Northeast.

In February five additional products were added to their boil-in bag line. Traditional test media — broadcast and print — is being used.

Kitty Dawson

Circulation Comparison*
Collier County, Florida



How Naples Stacks Up In The Big Florida Market

Retail Sales Per Household

Total Retail Sales	General Merchandise	Food	Auto	Furniture/ Appliances
Naples $16,330	Naples $1,808	Naples $3,605	Ft. Laud. $3,242	Naples $1,082
Ft. Laud. $14,217	Miami $1,757	Ft. Myers $3,388	Naples $3,179	Miami $889
Ft. Myers $13,367	Orlando $1,706	Orlando $3,288	Jax. $2,693	Ft. Myers $878
Orlando $13,154	Ft. Laud. $1,704	W.P. Beach $3,095	Orlando $2,500	Ft. Laud. $709
Miami $12,827	W.P. Beach $1,642	Tampa/S.P. $3,075	W.P. Beach $2,425	W.P. Beach $683
W.P. Beach $12,741	Ft. Myers $1,610	Ft. Laud. $3,028	Ft. Myers $2,352	Orlando $485

Sources: University of Florida
1981 Survey of Buying Power, Sales and Marketing Management

H.A. (Rocky) Strunk, National Adv. Mgr.

(813) 263-4730

Naples Daily News

1075 Central Ave. Naples, Fl 33940

15 TOP
MARKETING
SUCCESSES
1981

TYLENOL®

How Tylenol outslugs a fierce field

Consumer Products Division of Johnson & Johnson (McNeil) puts emphasis on how its product, Tylenol, differs from other pain relievers containing aspirin. It seeks and gets separate shelf positioning in supermarkets. And in advertising, it repeats and repeats the fact that it contains no aspirin. It puts over $24 million into tv plus some $2.5 million in consumer magazines.

A media planner on a competing aspirin product was commenting recently on the trials of going head-to-head against the giant of the non-aspirin pain relievers, Tylenol.

With a touch of reverence in his voice, the media planner said: "You walk into a supermarket and go to the shelves with the over-the-counter pharmaceuticals and you come across what appears to be a million brands. Each brand claims to alleviate the same pain faster than the product next to it, which is made from virtually the same chemical substance as the first one.

"On top of this crowd of products, you've got to add the no-name brands that are gaining an increasing foothold, especially in the supermarket chains.

"In that kind of cluttered, competitive field, Tylenol has somehow managed to establish itself as the generic term for a non-aspirin pain reliever.

"When people want to take an aspirin, they ask for aspirin. When people want a non-aspirin remedy, they ask for Tylenol. They perceive that Tylenol and non-aspirin are interchangeable terms."

Since its mass market distribution in 1975, the McNeil Consumer Products division of Johnson & Johnson has seen its Tylenol brand line grow to a position of dominance in the headache and pain remedy product category. By 1980, Tylenol held a 31% market share among all over-the-counter pain remedies. American Home Products' Anacin aspirin compound is second in market share with 12%, and Sterling Drugs Bayer aspirin is next with 8.5 percent. Yet, in 1980, according to Leading National Advertisers, Broadcast Advertising Reports and Media Records, the Anacin brand line was backed with a $40 million advertising campaign, compared to about $21 million for Tylenol.

The ratio of ad dollars to market share is even more significant considering a Federal Trade Commission

TYLENOL

Joseph Chiesa, president
McNeil Consumer Products

Compton

REGULAR STRENGTH
TYLENOL
acetaminophen CAPSULES
safe fast pain relief, without aspirin
0045-0483-42
McNEIL

Stand-out package for Regular Strength Tylenol separates it from crowd of other pain relievers on super-market shelves via red label, bold lettering.

study of media spending as a percentage of sales. The FTC report, which covers 1975, revealed that pharmaceutical companies as a whole spend over 20% of sales dollars on media, compared to less than 3% on research and development. No other industrial category came close to those percentages.

Because of its dominant position in a field as fierce and fickle as pharmaceuticals, Tylenol was selected by *Decisions* readers as the category's marketing success story for 1981 and, perhaps, for every year since 1975.

While the people at McNeil Consumer Products were pleased to be so honored, they declined to participate in the assembling of this article.

Commented McNeil Consumer Products president Joseph Chiesa to one of our inquiries, "We're honored that your readers have selected us as the marketing success story of the year. However, we have considered very carefully what our position should be regarding the press and, quite frankly, we've decided that whatever we might gain by talking to you, we might also lose. Therefore, we maintain a strict policy not to talk to reporters about anything."

While Chiesa confirmed the accuracy of the major finding in this article, he refused to expand upon any issue and, when the questioning turned to specific personnel at McNeil, he abruptly ended the interview.

McNeil Consumer Products is not alone among pharmaceutical manufacturers in its skittishness with the press. There is a general feeling among proprietaries companies that any tidbit of information, no matter how innocuous it may seem, could help competitors gain a slight competitive edge. In this business, knowledge is power, and power translates into a competitive edge in the marketplace. Every marketing move is swiftly countered by the competition, and any edge is exploited even faster.

It was just such a move-counter move chain reaction that led to Tylenol's mass market roll out in 1975. The non-aspirin pain remedies are an outgrowth of acetaminophen, a generic compound that for years had been manufactured and sold by several pharmaceutical concerns. The drug, however, was marketed exclusively to the medical profession and never had a particular brand name identity until the early 1970s.

"It was at that time," says Richard Stover, vp-equity research department for pharmaceuticals at E. F. Hutton Co., "McNeil began marketing the compound under the Tylenol brand name to physicians, pharmacists, nurses, and other professional people who might recommend the drug to their patients. They built a strong brand awareness base among the professionals and they were complacent to continue that way until Bristol-Myers decided to come out with Datril."

Seeing the success McNeil was having promoting to professionals Tylenol benefits such as no stomach upset side effects, Bristol-Myers in 1975 introduced Datril, also a non-aspirin pain remedy. Datril was distributed broadly to the consumer market at a lower price than Tylenol. The result was an immediate gain in market share. The lead, however, for Bristol-Myers' Datril was short-lived.

"Bristol-Myer's entire strategy backfired," says Stover.

As if awakening a sleeping bear, Bristol-Myers saw their Johnson & Johnson competitor shift into action. Tylenol was quickly introduced to the mass market. It was distributed at least as broadly as Datril, and at an even lower price. Tylenol was also backed by its own massive introductory advertising and promotional campaign.

"Even more than its own advertising, what benefitted Tylenol the most," says Stover, "was Bristol-Myers' campaign for Datril. They did comparison ads pitting Datril against Tylenol. What the ads did was help Tylenol establish brand awareness with consumers. Every time a consumer saw the name Datril, she saw the name Tylenol, too."

Tylenol's success continued unabated over the next seven years. The product has so overwhelmed its non-aspirin competitors and has been able to exploit growing health concerns about both aspirin and caffeine, that Stover describes Tylenol as "the dominant force in analgesic market share."

"Tylenol's market share should

continue to grow in the next few years," he says. "Aspirin products will remain the major piece of the market, but there are many more competitors for the aspirin share of it. Tylenol simply dominates the non-aspirin category, and that category should continue to expand at the expense of the aspirin compounds. This will occur, in part, because many aspirin users are arthritis sufferers, and arthritis is more and more being treated with prescription drugs instead of aspirin."

If Tylenol's ad expenditures for the first nine months of 1981 are any indication, McNeil does not intend to allow the product to rest on its past performance. According to LNA/BAR, spending by Tylenol in the measured media during the first three quarters of 1981 was up over $5 million, or about 20%, compared to the same period for 1980.

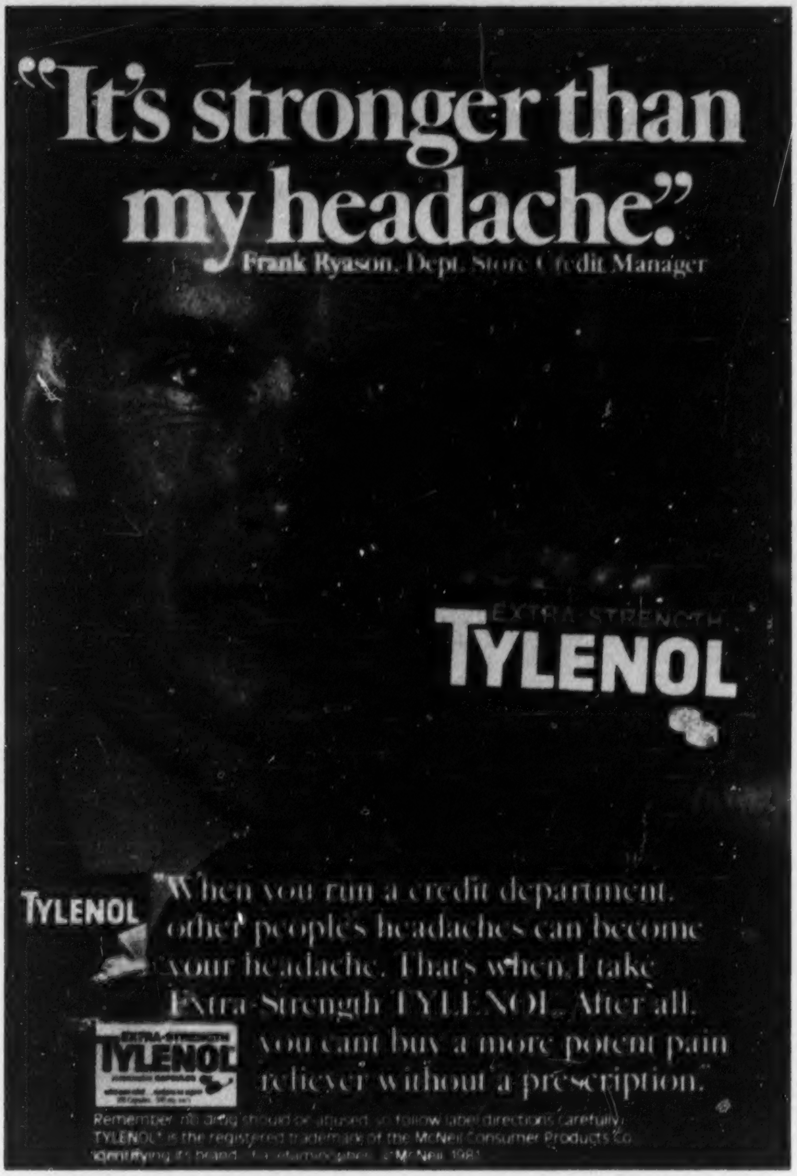
The boost came primarily from a new campaign to back the availability of Extra-Strength Tylenol in tablet and capsule form, as well as a doubling of the budget behind Tylenol tablets. The campaign over the past two years to promote the Extra-Strength version of Tylenol has resulted from two developments, according to McNeil's new product chief Chiesa. First, new research had improved the basic product, and second, the improvement allowed McNeil to bolster the overall Tylenol campaign.

Tylenol's target audience is difficult to define beyond the generalities of every man, woman and child who might get a headache, fever or similar minor ailment, or who suffers from arthritis. It is the woman with a family, however, who does most of the shopping for Tylenol, and therefore the product's media mix is skewed somewhat to concentrate on reaching her.

Television is by far the biggest medium in Tylenol's advertising mix. According to LNA/BAR, Tylenol spent almost $23 million in television during the first nine months of 1981, and $22 million of that went to network fare. Spot buys were listed at $838,000.

The emphasis on network television illustrates Tylenol's shotgun approach to tv buys.

"We're a nationally distributed brand," said one source close to the campaign. "Generally speaking, we don't have individual markets in which we must reach everyone. We need brand awareness more than anything else. Network television does that for us."



"It's stronger than my headache."

Frank Ryason, Dept. Store Credit Manager

EXTRA-STRENGTH TYLENOL

TYLENOL

"When you run a credit department, other people's headaches can become your headache. That's when I take Extra-Strength TYLENOL. After all, you can't buy a more potent pain reliever without a prescription."

EXTRA-STRENGTH TYLENOL

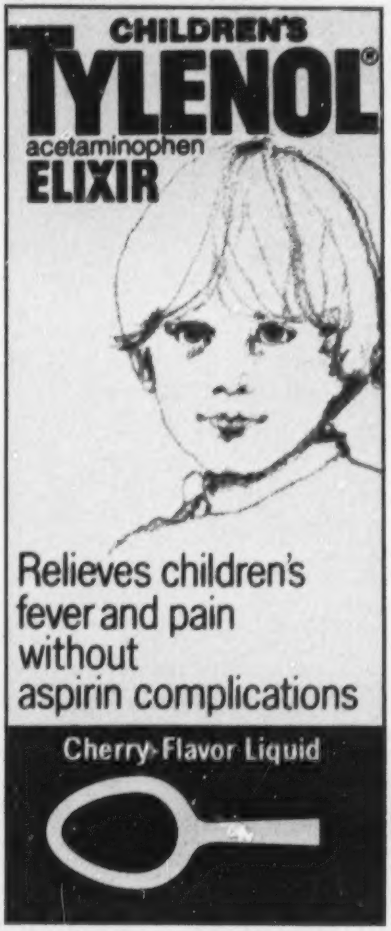
Remember, no drug should be abused, so follow label directions carefully. TYLENOL® is the registered trademark of the McNeil Consumer Products Co. identifying its brand of acetaminophen. ©McNeil 1981

Real-life people are featured in Tylenol ads, like this one carrying testimonial of department store credit manager Frank Ryason.

What target marketing exists in Tylenol's media approach is executed through magazine buys. While the advertising is concentrated primarily in women's publications, Tylenol also buys space in several special interest magazines for black audiences, older people and men.

According to Publishers Information Bureau, Tylenol Extra-Strength multi-product advertising appeared in 1981 in *Ebony, Families, Family Circle, 50 Plus, Good Housekeeping, Inside Sports, Ladies Home Journal, Reader's Digest* and *TV Guide*. Tylenol Extra-Strength tablets were advertised, according to PIB, in *Cosmopolitan, Essence, Good Housekeeping, Ms., Newsweek, People, Redbook, Time* and *Working Woman*. The Extra-Strength Tylenol in tablet and capsule form were advertised last year in *50 Plus, Good Housekeeping, Newsweek* and *Reader's Digest*, while Tylenol tablets and Extra-Strength

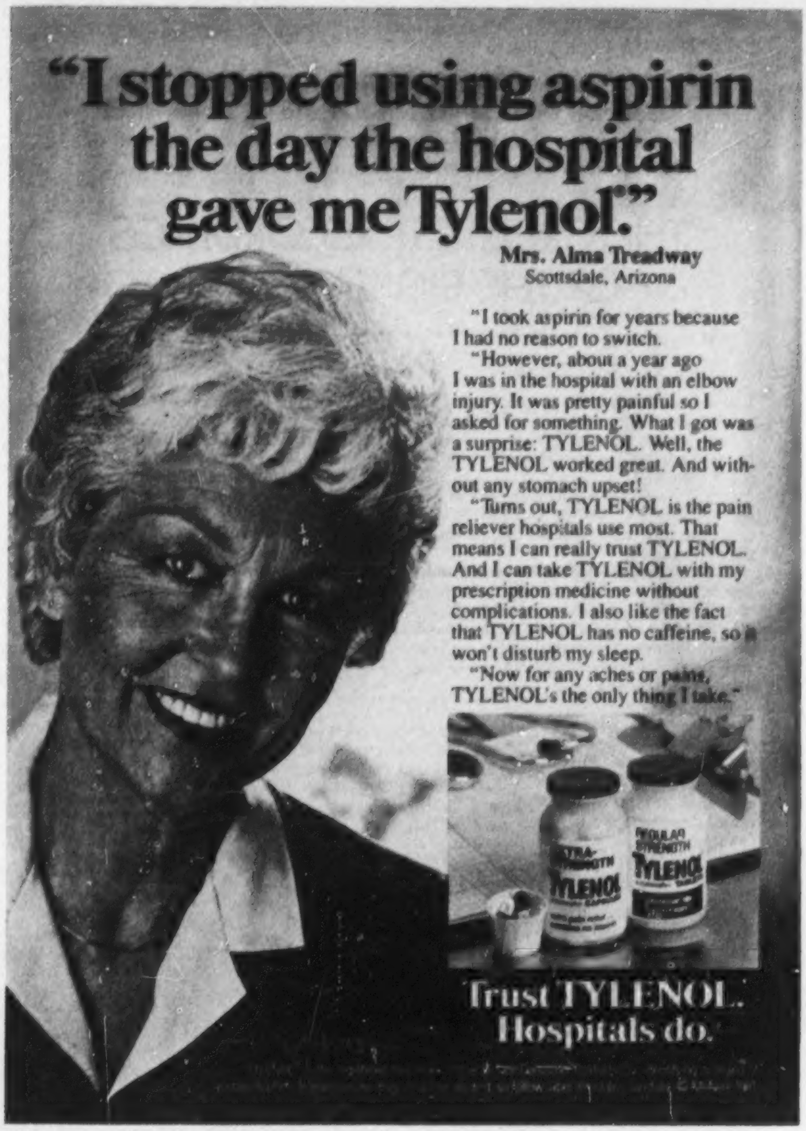
Children's unit is cherry-flavored liquid, packaged to resemble full-strength product. Variety adds to assemblage of Tylenol products in supers.



CHILDREN'S
TYLENOL®
acetaminophen
ELIXIR

Relieves children's
fever and pain
without
aspirin complications

Cherry-Flavor Liquid



"I stopped using aspirin the day the hospital gave me Tylenol®"

Mrs. Alma Treadway
Scottsdale, Arizona

"I took aspirin for years because I had no reason to switch.

"However, about a year ago I was in the hospital with an elbow injury. It was pretty painful so I asked for something. What I got was a surprise: TYLENOL. Well, the TYLENOL worked great. And without any stomach upset!

"Turns out, TYLENOL is the pain reliever hospitals use most. That means I can really trust TYLENOL. And I can take TYLENOL with my prescription medicine without complications. I also like the fact that TYLENOL has no caffeine, so it won't disturb my sleep.

"Now for any aches or pains, TYLENOL's the only thing I take."

Trust TYLENOL.
Hospitals do.

Head-on pitch to users of pain relievers containing aspirin.

Tylenol capsules were featured together in *Better Homes & Gardens, 50 Plus, Prime Time* and *Reader's Digest,* according to PIB. Total magazine expenditures for Tylenol in 1981, according to PIB, were $2.8 million, compared to about $1 million in 1980.

The print campaign developed by Compton Advertising shows average men or women testifying to the benefits of the drug over aspirin.

In one magazine ad, a woman identified as Mrs. Alma Treadway declares, "I stopped using aspirin the day the hospital gave me Tylenol." The copy text goes on to explain that, while hospitalized for an elbow injury, Mrs. Treadway was given Tylenol as a pain reliever. She goes on to cite Tylenol's other benefits, such as no stomach upset, no caffeine, and compatability with her prescription drugs. The copy also refers to Tylenol as the pain reliever most recommended by hospitals, a reference to the product's original base with doctors and other medical professionals.

The media mix virtually excludes radio, outdoor and national newspaper buys. While this pattern is consistent with other pharmaceutical marketers, officials at McNeil Consumer Products and its advertising agency, Compton, refused to comment on the rationale behind the media strategy.

While the producers of Tylenol remain mum on the secrets of their success, industry observers believe it results from a steady, consistent pattern of building a marketing base and exploiting it.

Summarized E. F. Hutton's Stover: "Tylenol has progressed along a continuum. First there was the development of brand awareness through the cultivation of professional recommendation and the establishment of the product's medical integrity. It was the development of this marketing franchise which Bristol-Myers underestimated. Second, the product was promoted through a broad communication to the consumer. And finally, it was distributed broadly. That continuum has led to Tylenol's domination of the non-aspirin market."

Craig Reiss

TOBACCO

15 TOP MARKETING SUCCESSES 1981

Positioning Camel where it belongs

Camel's slogan is "Where a Man Belongs," and that's where the brand was positioned in 1981. R. J. Reynolds restaged the brand, grouping all varieties under a common theme: an independent, adventurous consumer lifestyle. Marketers at Reynolds and agency BBDO backed up the image with packaging changes in the light and filter varieties, increasingly targeted magazine buys, heavier use of newspapers and out-of-home media, and targeted promotions in the travel, sports and entertainment fields. The efforts helped skyrocket Camel sales 24% in an industry that grew only 1% last year.

CAMEL

John Shostak, marketing director

BBDO

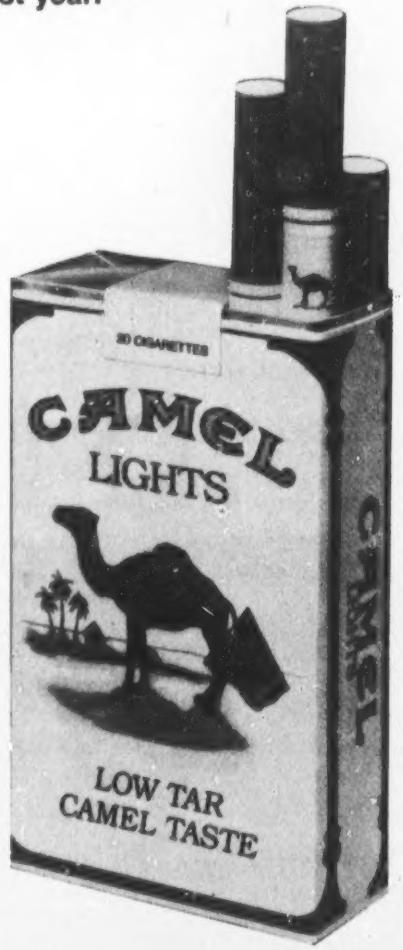
One year ago, John Shostak and Ken Angel attended a speech given by the marketing director for Marlboro cigarettes at an Association of National Advertisers seminar.

Neither had met the man from Marlboro, but after the meeting they walked to the podium and introduced themselves.

"Do you know us?" asked Angel.

When the Marlboro man replied that he did not, Angel laughed, and said, "You may not know us now, but, believe me, you will."

The prediction came true. Shostak and Angel were the main force behind the dramatic restaging of R. J. Reynolds' Camel cigarettes in 1981, at the expense of arch-competitor Marlboro. It was a year in which Camel's sales were boosted 24% in an industry with overall 1% growth, and in which the brand's ranking among the top ten cigarettes vaulted from seventh to fifth, displacing sixth- and



fifth-place Benson & Hedges and Merit.

At the time of the Marlboro encounter, Shostak was Camel's senior brand manager — this March, he was promoted to marketing director for both Camel and NOW brands. Angel is vp-account supervisor at BBDO, New York, Camel's agency.

Together, Shostak and Angel constitute a very large thorn in the side of Philip Morris, whose Marlboro, the number-one-selling cigarette in the United States, showed a lower 4% growth rate in 1981. Camel and Marlboro are now locked in a battle for the attention of smokers attracted to cigarettes with a strong male image.

Much of Camel's momentum in 1981 was due to the push behind light Camel varieties, which experienced runaway growth after packaging was changed to mirror the old-fashioned look of Camel Regulars. But Camel's growth was across the board. Even Regulars — which compete in the full-flavored cigarette category, the industry's most stagnant — showed a 22.6% increase, according to figures compiled by John C. Maxwell of Lehman Brothers Kuhn Loeb Research, New York.

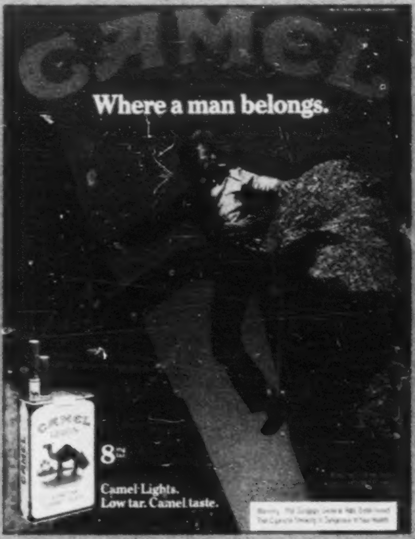
Camel's overall market share increased from 4.3% in 1980 to 4.8% in 1981, according to Maxwell. Such increases are not easily won in the cigarette business, where growth is slow and each share point is worth $130 million in factory level sales.

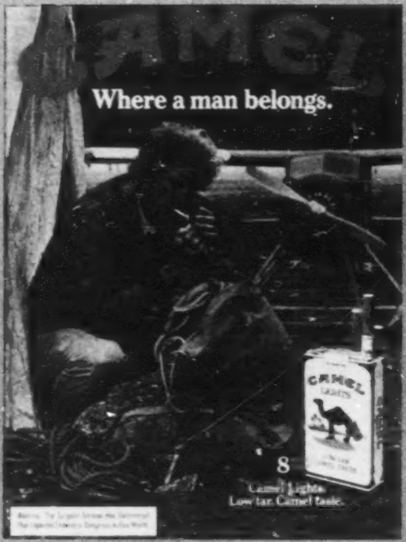
Camel's marketers attribute their success in 1981 to several factors — some unique to Camel, others a part of a shift in strategy for all R. J. Reynolds brands.

Prime among these was a switch away from segmented, target marketing of each variety within a brand, and adoption of a "family brand" strategy,

A portfolio of Camel advertising

Advertising in magazines and out-of-home media, created by BBDO, bring Camel's image to life with depictions of adventurous men in the great outdoors. Scenes depict backpacking, aviation, mountain climbing, winter camping, hiking and driving through backlands in jeeps. In 1981, the brand's media mix emphasized out-of-home and newspapers, but a broad range of male audience magazines also made the schedule.





CAMEL
Where a man belongs.
Camel Lights. Low tar. Camel taste.
8

in which all varieties are promoted together. For Camel, this meant unifying packaging for light varieties with the original, old-fashioned design. By all accounts, this switch was a masterful tactical move, transferring the parent brand's masculine, macho image to the light brands.

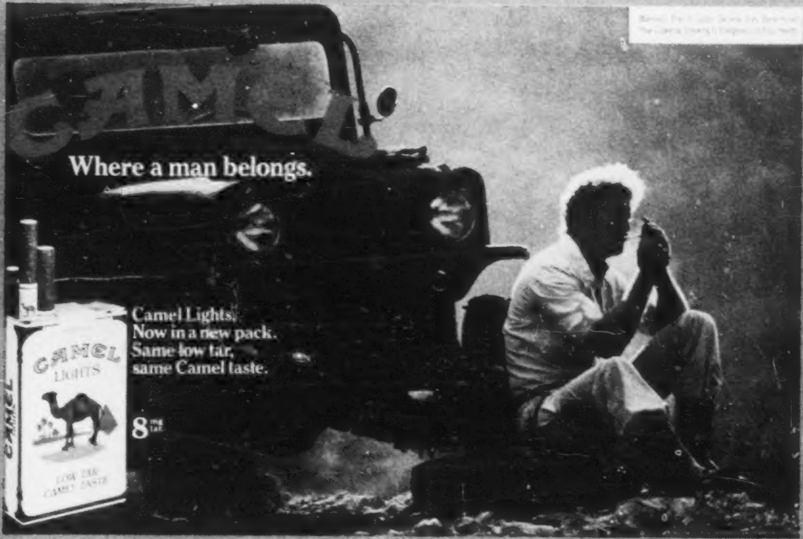
Equally important was an overall corporate shift to local market emphasis in media selection, which meant a substantial increase in use of newspapers and out-of-home media, and introduction of a variety of promotions that extend the brand's image.

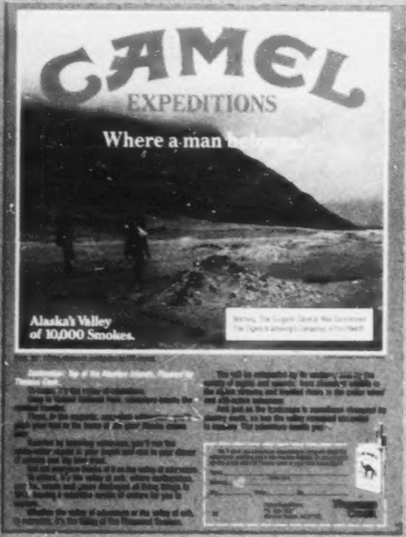
For Camel, these include the "Camel Expeditions," adventure vacations offered in conjunction with Thomas Cook Travel, and sponsorship of sports and music events. Camel is breaking new ground as sponsor of the June 11 heavyweight fight between Larry Holmes and Gerry Cooney in Las Vegas, and the brand also sponsors auto racing. "Camel Expeditions" alone were backed with $1 million in advertising in 1981.

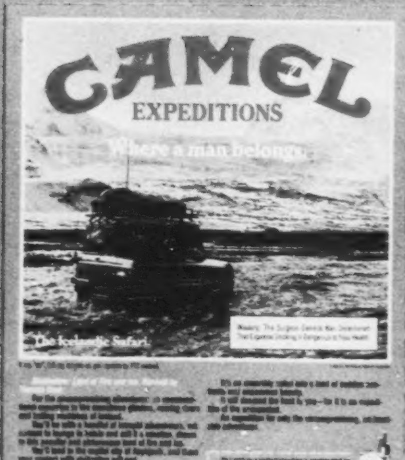
The aim of these promotions is to "add reality and dimension" to the image of the Camel smoker," said an RJR spokesman.

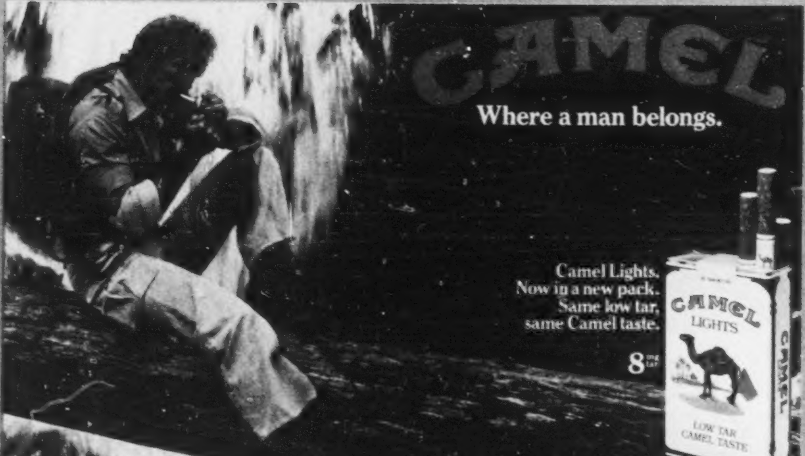
Camel's success, however, must be considered within the context of R. J. Reynolds' efforts to shake up its domestic marketing operation. Camel's performance represents partial fulfillment of a promise made in the fall of 1980 by then-fledging chairman and president Edward Horrigan, Jr. and executive vice president Gerald A. Long. The two were brought in from RJR's international marketing division in the fall of 1979 to put a stop to a two-year market share decline, and the sales inroads of Philip Morris.

While RJR was then — and still is — the number one domestic cigarette


CAMEL
Where a man belongs.
Camel Lights. Now in a new pack. Same low tar, same Camel taste.
CAMEL LIGHTS
8 mg tar
LOW TAR CAMEL TASTE


CAMEL EXPEDITIONS
Where a man belongs.
Alaska's Valley of 10,000 Smokes.


CAMEL EXPEDITIONS
Where a man belongs.
The Icelandic Safari.

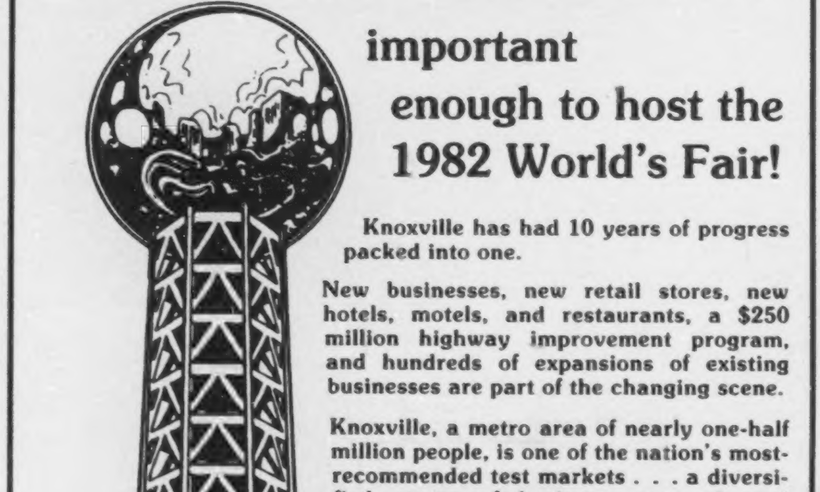

CAMEL
Where a man belongs.
Camel Lights. Now in a new pack. Same low tar, same Camel taste.
CAMEL LIGHTS
8 mg tar
LOW TAR CAMEL TASTE

seller, Philip Morris has been closing the gap in recent years. In 1977, RJR commanded 33% of the market, compared to PM's 26.5%. Since then, that sizable 6.5% gap has been narrowed to 5.1% in 1978, 3.7% in 1979, 1.7% in 1980, and 1.2% in 1981, according to Maxwell data.

Long and Horrigan's effect on RJR can been seen in the year-end 1981 figures — RJR gained overall share for the first time since 1977, gaining .4% and reascending to a 33% share.

Top management's first move was the introduction of a "family brand" marketing concept. Horrigan and Long believed, based on their international experience, that all varieties of one brand could best be marketed and promoted together, rather then separately.

Previously, each style or variety within a brand was targeted to a different segment, or type, of smoker. Marketing was based on a splinter concept, to take advantage of segmentation.


Knoxville...

important enough to host the 1982 World's Fair!

Knoxville has had 10 years of progress packed into one.

New businesses, new retail stores, new hotels, motels, and restaurants, a $250 million highway improvement program, and hundreds of expansions of existing businesses are part of the changing scene.

Knoxville, a metro area of nearly one-half million people, is one of the nation's most-recommended test markets . . . a diversified center of business, research and manufacturing. Include Knoxville in your marketing plans now by contacting your Story & Kelly-Smith rep. or call Jerry Dunning, advertising director, at 615/523-3131.

THE KNOXVILLE NEWS-SENTINEL COMPANY

Publishers of The Knoxville News-Sentinel
A Scripps-Howard Newspaper
Evening and Sunday

Agents For The Knoxville Journal
A Gannett Newspaper
Morning Except Sunday

Knoxville, Tennessee 37901

Phone 615/523-3131

The "family brand" concept, says John Shostak, begins with the conviction that smokers are — first and foremost — brand loyal.

"Once you switch a smoker from a competitive brand to your family of brands," he says, "the more likely he is to stay within the family. Then you get the benefit of retaining him as he progresses through the various styles and flavors."

Put another way, RJR made a strategic decision: "family brand" management might cause cannibalization among varieties of a brand, but this would be preferable to switches outside the brand entirely.

Underpinning the family marketing concept is an effort to project consistency of lifestyle image and positioning of all brand varieties.

Says Ken Angel: "The way you get inroads on your competitor is by focusing on the brand family. The consumer makes a lifestyle selection, based on what we put forward about the brand's image. Once someone says, 'That's the lifestyle that is appropriate for me,' then they select within our brand family."

According to Angel, this approach works particularly well for cigarettes, because smokers are extremely responsive to lifestyle messages.

"If someone smokes a pack a day, that package is taken out 20 times a day, and it makes a statement every time.

"Therefore, that statement has to be consistent with what the smoker wants to say about himself when he puts it down on the table, or on a bar," he says.

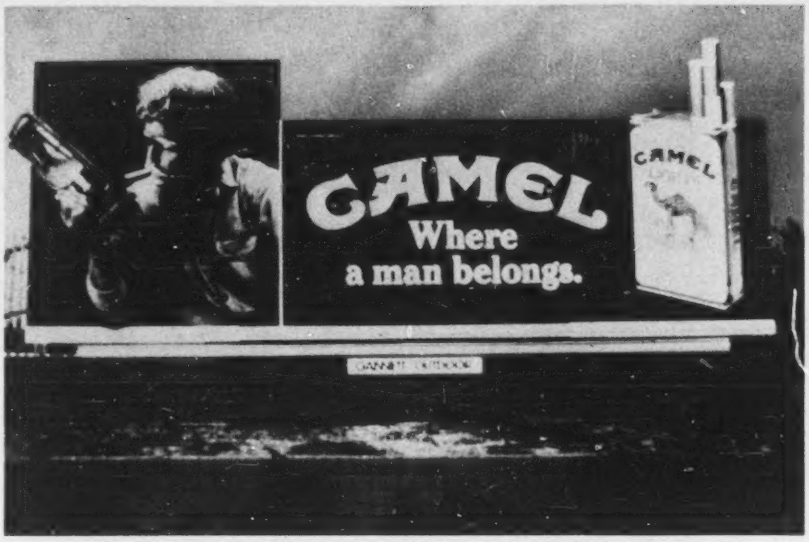
The Camel team knew prior to family brand marketing that the brand's target audience was mostly male, although about 40% of one variety — Camel 100s — are smoked by women. But when the family brand concept was introduced, the challenge was to find a focus — an image the entire brand family could rally around.

Working with BBDO, the R. J. Reynolds research department reviewed the brand's history since 1913, when Camel was introduced. The brand was the first nationally marketed, blended cigarette.

"We were able to pinpoint certain elements that were essential for us to communicate," says Angel. "These include the masculinity of the brand, independence, a sense of adventure, and self-assurance. Those are the things we tried to put into the advertising, and we developed the campaign around that thinking."

The campaign was then tested by RJR research, with positive results. "Amazingly enough, the strategy and the test results were almost in duplication — the image was communicated in a very positive way. With that, we built the entire campaign that is now running, 'Where a man belongs,' " says Angel.

Shostak explains how the Camel lifestyle statement works: "Consider that guy who puts down his pack of Camels on the bar. You don't see as many of those as other brands, so when he puts it down he is making a statement, more so than someone who smokes one of the more popular brands. He's saying something about independence — 'I'm doing this because *I want to do it,* not because ten of my friends smoke it, but because I believe in myself — I'm self-confident, I like the product, I like the imagery it gives me.' That's primary."



Out-of-home's importance in Camel's media mix increased dramatically in 1981, with spending just under $11 million.

The lifestyle association is so important to Camel's marketing that its strategy transcends the usual demographic target categories. Although Shostak and Angel say that Camel's greatest growth opportunity is among younger adult males, they refuse to classify the brand along such divisions as occupation, income, age or ethnicity.

"Our advertising tells a story," Angel says. "It's a slightly different story to every person — but always one of adventure and excitement."

The "Where a Man Belongs" campaign brings the Camel image to life with depictions of the outdoor life — back packing, aviation, mountain climbing, winter camping, hiking and driving through backlands in a jeep.

But to get maximum impact for the campaign, there was a major shift in media strategy — for Camel and all other RJR brands — that also contributed to the brand's success in 1981. The decision: to focus RJR media at the local level as much as possible. This meant a substantial increase in use of newspapers and out-of-home media. In 1981, the mix for RJR's approximately $275 million advertising budget was $100 million for newspapers (36%); $75 million for outdoor (27%); $60 million for magazines (21%) and $40 million for newspaper supps (14%).

This mix reflects Camel's media use, Angel and Shostak confirm, although the brand is not currently using supps. *Decisions* estimates that RJR spent approximately $34 million to advertise Camel in 1981. Newspaper

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The Quality Buy

spending increased 61%, from $9 million in 1980 to $14.5 million in 1981, accounting for 42.6% of total dollars. The brand was the tenth largest cigarette spender in the newspaper medium in 1981.

RJR also cut back magazine spending in 1981 by 25%, but Camel's cut was in a number of magazines, and not as severe as those of other RJR brands. And the cuts had as much to do with family brand marketing as with local market concentration.

"Before the shift to family brand marketing, you had brands in several styles, and each targeted to a different segment. So brand families would buy almost every magazine, to cover every segment they were trying to reach with those styles.

Selling lifestyle without tv

To talk with John Shostak (right) and Ken Angel (left) is to talk with a team in action. The two clearly enjoy working together, and emanate a creative excitement. They met with *Decisions* after working through the night on arrangements for the announcement of Camel's sponsorship of the Cooney-Holmes fight. But they still managed to radiate enthusiasm for the brand, and for working together.

But the team extends beyond Angel and Shostak. Brainstorming sessions are held, at least monthly, with everyone involved in the brand, from marketing and advertisng to public relations and tobacco development. The meetings sometimes include as many as 25 people.

The purpose: cross-fertilization of ideas from various parts of the business. "If you're in media or promotion, you think that all day, and nothing but that," says Shostak. "But sitting in a group, sharing ideas, it may be someone in an unrelated field that offers an idea that might not seem feasible on the surface, but offers the germ of an idea that you can run with."

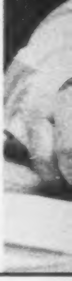
The challenge of restaging a brand such as Camel without the mainstay of most national advertisers — television — is also something the two enjoy. All cigarette advertising has been barred by federal law from television since 1971. Television is particularly tempting when the marketing strategy calls for reinforcement of lifestyle associations, as Camel's does.

Angel's first job in advertising was in media on the Camel account at Dancer Fitzgerald Sample in the 1960s, before the television ban. He has also worked in media at BBDO, and on the account side at Wells Rich Greene and Grey Advertising. Shostak joined RJR three years ago, coming from Johnson & Johnson, where television was readily available.

Says Shostak: "You can't learn, develop and grow without challenge. In a way, I pity marketers who rely on tv — it becomes a crutch. All you do is say, Ok, run a certain number of spots, get a mass reach, and then you're done, that's it. You lose the creativity, drive and challenge that you experience when you have to *find* a way to achieve your objective."

The Camel campaign's sharp focus on the masculine, adventurous lifestyle, coupled with targeted local media and promotion, is the team's way of making an end-run around the television barrier.

"More and more companies are coming to the realization in the 1980s that television alone, without the other spokes in the wheel of marketing doesn't really do the job," Angel says. "And lifestyle promotion is a major factor that we're going to hear much more about."



"Now, with family brands, we're saying we want to reach a single type of person with each brand, so you naturally focus your media. We saw some magazines tumble, or change or shift."

Although Camel was in fewer magazines in 1981 than in 1980, spending actually was up, from $4.2 million to $8.9 million (26% of the budget), according to Publishers Information Bureau (*Decisions* estimates that magazine spending actually was closer to $10 million in 1981). But the list was targeted exclusively against a male audience, and magazines were meticulously selected to reflect the Camel image. Dual audience books that made the list in 1980 were dropped in 1981.

Media planning and buying is

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St. Petersburg-Tampa again leads all Florida metros in cigarette sales — 214-million packs in fiscal 1981, a whopping 23-million packs ahead of second-ranked Miami.

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Camel media expenditures, 1981

	Total	Magazines	Supplements	Outdoor	Newspapers
Filter Cigarettes	$ 440.9	—	—	$ 440.9	—
Filter Kings	18.9	—	—	18.9	—
Filter 100s	48.3	—	—	48.3	—
Lights Filter	13,566.2	$7,355.7	—	6,210.5	—
Light Kings	3,286.7	—	—	3,286.7	—
Light Kings & 100s	706.7	—	—	706.7	—
Light 100s	72.6	—	—	72.6	—
Camel Collection	291.3	291.3	—	—	—
Camel Expeditions	1,156.1	1,156.1	—	—	—
Camel Trophy	113.8	113.8	—	—	—
Filters GT Racing	1.1	—	—	1.1	—
Total	$34,268.6†	$8,916.9	—	$10,784.6	$14,566*

Source: Leading National Advertisers, Media Records

* Reflects spending for all Camel varieties; spending break-out by variety not available.
† Includes newspaper spending

handled by Reynolds' in-house media operation, set up in January 1980 by director of marketing services Martin Orlowsky, who joined RJR in November 1977 after agency work at Needham, Harper & Steers, Grey Advertising, Young & Rubicam and Compton.

But Shostak and Angel provide the strategy and direction for Camel's media, and have considerable input on media selection.

According to Shostak, magazines are evaluated for reach, impact, editorial consistency, compatibility — and with a dose of common sense.

But Camel also approached magazine decisions in 1981 with an eye toward what Angel calls "ideas of participation" that books could provide for Camel's "continuing relationship."

On the shopping list were ideas for clutter breakthrough, and for sponsorship. Says Angel: "It wasn't anything that magazines wouldn't be asked for by a new piece of business — we just asked them to do that for an existing piece of business."

Angel and Shostak have also been looking for unique partnership ideas in their newspaper buys — most notably with the Camel Scoreboard, a plan whereby a Camel ad encloses sports statistics. The idea has been the source of much controversy in the newspaper industry since announced last year by means of a query to publishers and editors about the acceptability of the Scoreboard. A number of editors have

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Our 85.9% is the highest (by far) in its field. So is our 87.3% qualified recipients within the most recently measured 12 months. That's proof positive of reader demand.
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objected to the uncertain mix of advertising and editorial.

However, more than 300 newspapers agreed to run the Scoreboard if it were offered by Camel, and 100 will be running it during 1982. The Scoreboard idea has also been extended to include Camel Soundboards, an ad wrapped around listings of popular music events appearing in papers such as New York's *Village Voice* and Boston's *Real Paper*.

"The Scoreboard gives us relevance on a national basis to our local market promotions," says Angel. "We've got it positioned where consumers are going to see it time and time again, building a local market impression, with information that is both national *and* local."

The local market media strategy has taken Camel — and other RJR brands — away from cpm efficiency, but the hope is that the efficiency loss is more than compensated for in increased impact.

"As soon as you make the decision to increase local emphasis, to increase your presence with a smoker in his environment, efficiency suffers. Obviously, we know what newspapers cost," says Shostak. "But what you get is consumers' perception that 'this is *my* newspaper; this is *my* neighborhood billboard.' "

Outdoor's role in the campaign is to provide four-color reproduction at the local level, Shostak says; Camel spent $10.8 million in that medium in 1981 (31% of the budget), according to LNA and *Decisions* sources.

One way RJR tries to expedite its local media strategy is through its in-house media set-up. Orlowsky told *Decisions* in November of 1981, that the in-house group allows them to respond more quickly to specific marketing situations.

But the commitment to outdoor for both Camel and other RJR brands is growing. Angel and Shostak confirm that one of the company's long-term goals is to become the most powerful, dominant national user of the medium. However, this takes time — choice locations are not so readily obtainable.

"Out-of-home gives us the glory and the grandeur of the campaign in four color — and we really do have a terrific, creative campaign," says Shostak. "But it is more difficult to

Camel's macho, Humphrey Bogart image

If Camel's 1981 market share increases aren't sufficient proof of the importance of the lifestyle and package changes in the brand's success, listen to the story of Steve Winters (not his real name), a loyal Camel smoker who switched to the brand last year. Although Winters' occupation makes him sensitive to the nuances of marketing, his reasons for switching make him remarkably close to the typical Camel smoker:

"I originally smoked Camel filters when they first came out, because of the name identity, the short stubby cigarette without a filter — and also because they were lower in tar and nicotine, but maintained the macho edge. They maintain your image, even though you smoke a lighter cigarette.

"But the package at first was corny, with triangles on the front, and darker brown coloring, and this 'pick out the Camel smoker' ad campaign, which really didn't relate back to the old, short stubby cigarette image.

"So I went into the Kent brand," he continued, "and also smoked nearly everything else under the sun — European cigarettes, whatever.

"I was smoking Kents when the new filter pack came out. It resembles the old pack. As soon as I saw it, I could relate to it again. This is a pack that I can lay on the bar, and most people mistake it for regular Camels. It usually gets a reaction, which is either the start of a conversation — which is what you're looking for — or at least reinforces the self-image you're trying to portray. You get all this reinforcement, it makes you feel like what the cigarette is trying to do."

Another factor is important as well, he said: "If you're really a smoker in this day and age, you invariably come across hostility, to one degree or another. The bar is really our last refuge — we're being kicked out of airplanes, movie theatres, offices, you name it. So if you go ahead and smoke anyway, you don't want the brand to be one more thing you have to *apologize* for.

"If you're really a smoker in this day and age, you don't want the brand to be one more thing to apologize for."

"Also, the ultra light cigarette is just another example of how lifestyle is trading down. You no longer can buy a big car; we're trading down in size. In cigarettes, you can't smoke a macho cigarette; you have to smoke a low tar and nicotine cigarette. Smoking Camel, for me, eases that whole process — it gives you a link to the past, before we all knew that everything kills you, that different frame of mind.

"Camel puts me back into the days of Humphrey Bogart lighting a cigarette, when smoking was cool."

procure outdoor than newspapers, which are readily available and have quick turnaround. So we'll have to continue playing with the newspaper and out-of-home mix until we finally optimize what we want."

City and regional magazines were considered as another way to get local four-color reproduction, but were rejected for Camel because of the heavily male skew of the product. "The dual — and often female-skewed audience — of the city and regionals made them not such a great buy for Camel, although they'd be desirable for certain other RJR brands," Angel says.

Top ten cigarette brands, ranked by market share

1981		1980	
Marlboro	18.3%	Marlboro	17.7%
Winston	13.3	Winston	13.2
Salem	8.8	Kool	8.8
Kool	8.4	Salem	8.7
Camel	4.8	Pall Mall	5.1
Pall Mall	4.7	Benson & Hedges	4.6
Benson & Hedges	4.5	Camel	4.3
Merit	4.5	Merit	4.2
Vantage	3.7	Vantage	3.8
Kent	3.0	Kent	3.3

Source: John C. Maxwell, Lehman Brothers Kuhn Loeb Research, New York

The local impression effort is geared to be consistent with Camel's image in every way possible. "We want to associate with the target's lifestyle — and the key ones are music, sports and night life," Shostak says. "We go direct to the consumer in his environment, and participate with him."

This is achieved through associations such as Camel's use of four-page inserts in *Goal*, the National Hockey League magazine. The monthly insert, "Camel Schedule at a Glance," lists all the contests in the NHL that month, along with service information.

Camel also sponsors "Camel Ski Maps" at 80 ski areas nationwide — ski trail maps emblazoned with the cigarette's logo.

This sponsorship is backed up with promotions such as exhibitions on the ski trails, races, slaloms, bartender races, as well as evening events in nightclubs featuring local celebrities, and — of course — Camel sampling.

This field promotion is no different from other cigarette "sampling" programs, with the important difference that Camel strives to tangibly reinforce the brand image at the point of sample. "We could simply use street intercept sampling," Angel says. "But then you'd just give someone the cigarette. They'd smoke it and enjoy it, but it wouldn't have the rest of the image."

Shostak echoes the point: "While you have the opportunity, you can also reinforce the imagery of the brand — that's what field marketing is all about."

Camel is also very active in sponsorship of sports on a larger scale, through sponsorship of such events as the Gerry Cooney-Larry Holmes fight this June 11th in Las Vegas, and of GT sports car racing nationwide.

Perhaps the most innovative extension of the Camel image is the brand's association with Thomas Cook in mass marketing a series of rugged, adventure vacations, called "Camel Expeditions." The trips available in 1981 included 10-day canoe trips through Maine's Allagash Wilderness Waterway; a two-week exploration of the jungles, mountains and villages of Ecuador; and a 10-day sailing and diving cruise in the Caribbean.

The expeditions were backed with more than $1 million in advertising last year, and were announced with two full-page ads in the May and June issues of *Adventure Travel, Esquire, Going Places, Money, Playboy, Signature, Sports Afield, Sports Illustrated* and *Travel & Leisure*. Double-page trade ads were placed in *Travel Weekly, Travel Age* and *Travel Agent*.

Camel is not alone in this type of "target promotion." Last year, Brown & Williamson increased its sponsorship, for Kool cigarettes, of the Kool Jazz Festivals, from 15 to 20 events.

Reynold's Vantage cigarettes sponsored 32 golf tournaments, and the company's Salem brand this year is sponsoring a series of country music festivals to celebrate the brand's 25th anniversary. A spring and fall tour of 16 cities will feature four country and western acts.

Philip Morris last year launched the "Merit Report," sponsorship — to the tune of $10 million a year — of a public opinion poll for the Merit brand. PM employees travel in vans equipped with computer equipment in various regions around the country, interviewing people on topical issues.

The responses are fed into a computer, which prints out a comparison of the interviewee's answers with the system's national opinion profile.

But Camel's promotion — along with its refocused marketing and media efforts — are producing the most striking sales results thus far.

In fact, the 1981 results were beyond even the expectations of Shostak and Angel — at least those they were willing to commit to paper.

"There's always one set of numbers you present to management as your official projections," says Shostak with a grin, "and then there's another set that you think privately you can do. We told management we thought we could move the brand from seventh to sixth place last year. But we really were shooting for the number five spot."

What comes next for Camel? The two will only say that "there is more to come — much, much more."

If 1981's track record is any indication, the Marlboro man had better watch out.

Mark Miller

15 TOP MARKETING SUCCESSES 1981

I LOVE NEW YORK

Luring 'em with brass and class

Beneath the glitter and fanfare of the "I Love New York" tourism campaign are marketing results as solid as bedrock: statewide resort occupancy increases of nearly 70%, and a 100% increase in Broadway ticket sales. Behind the figures are a blend of creative coups and a daring — yet disciplined — marketing.

What do actress Liz Taylor, Governor Hugh Carey and diet author Bess Myerson have in common? They love New York. And they aren't alone.

In 1981 New York State welcomed 54,000,000 visitors, who spent a record $10.5 billion in mad money. That's $5.2 billion more than just five years earlier.

Public officials, advertising executives and travel agents agree that credit for the phenomenal rise in travel-related state revenue goes in large part to the "I Love New York" campaign administered by the state Department of Commerce and implemented by agency Wells, Rich, Greene in New York City.

The campaign logo, "I (heart) NY," has replaced the Happy Face as the symbol most seen in statewide souvenir shops. But it represents a great deal more than a simple emblem emblazoned on bumperstickers, buttons and T-shirts. The logo represents what New York's Governor Carey applauded last summer as the "most successful campaign in the state's history."

In the first half of the 1970s, tourism

N.Y. STATE TRAVEL

Natel Matshulat, senior deputy commissioner and director of tourism, and development, New York State Depart. of Commerce

Wells, Rich, Greene

I ♥ NY

in New York State grew stagnant while vacationers packed their bags and toured the rest of the country in record numbers. The Department of Commerce estimates that the cost of that stagnation amounted to almost 13.6 billion in lost revenues. The state's fiscal 1977 promotion budget of $660,000 — only $202,000 of which was slated for advertising — promised only to further paralyze tourism and contribute to the state's worsening economic woes. The fiscal year ends in March.

"In the decade preceeding 1976, we

lost over 500,000 jobs and something like two million people from our population base,'' says Natel Matschulat, senior deputy commissioner and director of tourism and business development for the New York State Department of Commerce. ''It was a disaster. Something had to be done, and done fast.''

Tourism, second only to agriculture as the state's largest industry, provided one of the solutions to the economic puzzle. Only tourism could generate substantial returns on minimal investments. ''We did not have to build new

To the lady from Greece, love at first sight

Natel Matschulat came to America as a foreign exchange student when she was 16 years old. En route to Milwaukee, and the family to whom she was assigned, she and her fellow students stopped over in New York City. "We were in New York for about four days," she recalls. "I walked into the hotel room the rainy night we arrived and guess what I could see from my window? The Empire State Building. I could not believe it. I don't know, people have experiences of seeing God . . . it was that kind of thrill."

When she finished her education in 1967, Matschulat returned to New York City to build a career in marketing. She brings more than 12 years experience to her post at Commerce, including five years with Grey Advertising, a year with Foote Cone & Belding, and six years as a marketing manager at Lever Brothers.

Today, Matschulat shoulders the weighty responsibility of a program that will spend in excess of $10 million in 1982 and, if the campaign's return on investment is maintained, will generate 64 times that amount in revenues for the state of New York. Accustomed to a large corporate environment where enormous support structures exist, Matschulat was initially somewhat apprehensive about the Commerce job, where she was the only experienced marketing person on staff. "It was a challenge knowing that what happens ulitmately rests very totally on you, and you can blow it in a big way or you can make it in a big way," she says.

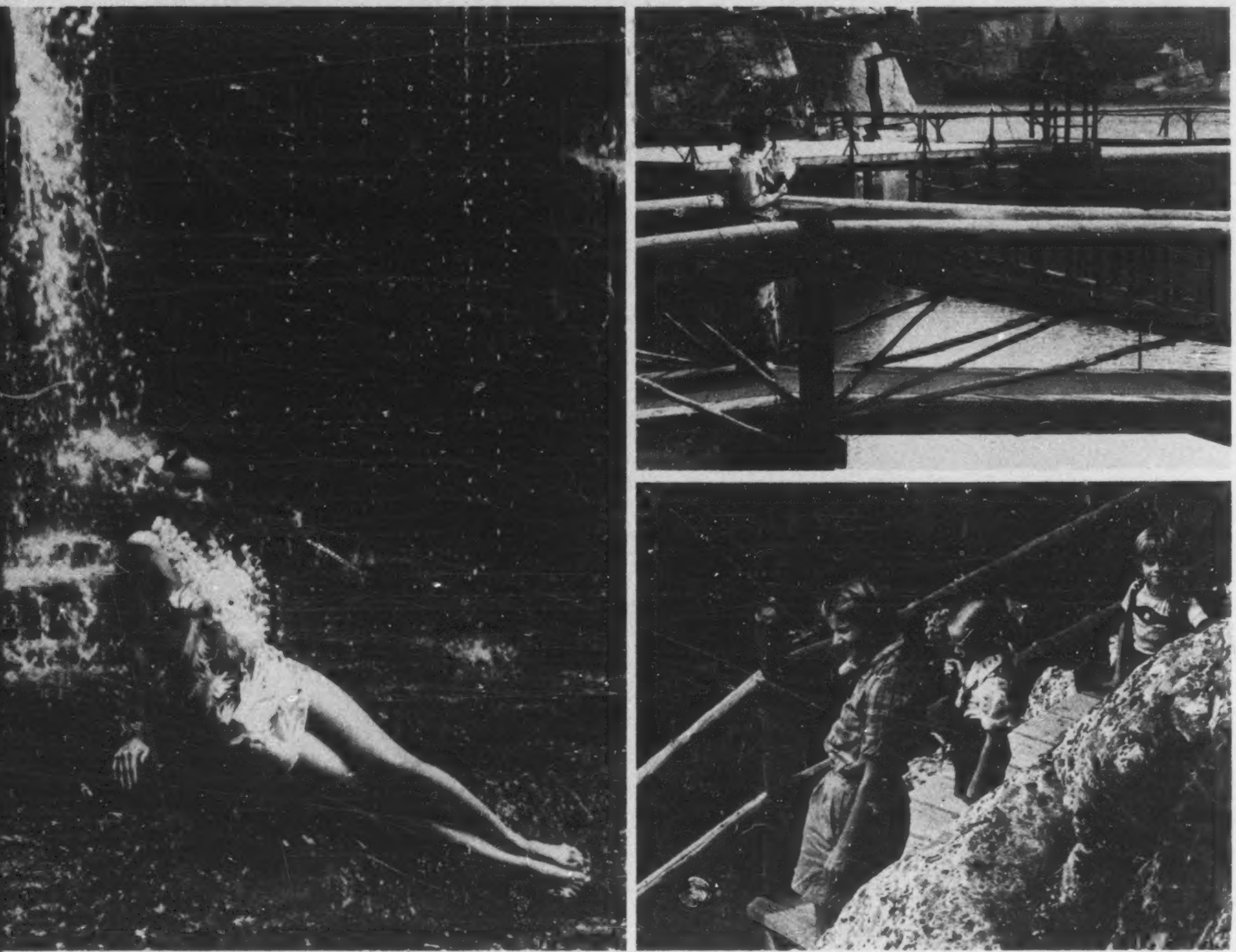
Matschulat also finds herself more mindful of her responsibilities because — again — unlike the corporate world, government officials are answerable to the entire population they represent. "Here, you have a situation where you're basically reporting to something like 17.5 million people," she says. "There is not a citizen in this state who does not have the right to question what I'm doing."

Matschulat views her post at Commerce as the most "extraordinary" experience of her career. Professionally, she feels that her work with such a complex government-administered project has given her enormous insight into the relationships between the public and private sectors.

"I have a tremendous personal emotional attachment to New York," she says. "That I would actually be the person to head up the promotion program for New York is just something I can't believe. It's one of those dreams come true."

When she was an infant in Greece, American GI's had just mopped up the Axis powers and liberated Europe. Growing up, she envisioned America as a land of opportunity where enormous technical and social strides were being taken daily. And, in her eyes, the capital of American progress was New York City.

Natel Matschulat now occupies a prominent office in the well-known Helmsley Building, which straddles Park Avenue at 46th Street. As senior deputy commissioner and director of tourism and business development for the New York State Department of Commerce, she is top administrator of the phenomenally successful "I Love New York" tourism campaign. She inherited her scepter in 1979 when former deputy commissioner William S. Doyle, who launched the "ILNY" program, returned after a three-year absence to Chase Manhattan Bank. Under her stewardship, "ILNY" has continued to generate record travel-related revenues and to add official accolades to its already award-laden trophy case.



Tv commercials promoting up-state tourism feature exotic scenes in New York's Adirondacks that can be enjoyed close to home. About two-thirds of the media budget is spent on upstate advertising. Target for upstate tours are lower-income families, one of two distinct groups in the Northeast that New York State takes aim at. The other: more affluent couples to whom New York City's culture-rich atmosphere is the lodestone.

hotels, new anything,'' says Matschulat. "The product (New York state) was already in place. All we had to do was start promoting it.''

In 1976, William S. Doyle, then deputy commissioner of the Commerce Department, redirected $100,000 of his already meager budget and contracted Consumer Behavior, Inc., and Wells, Rich, Greene to conduct a major marketing study on New York state tourism. Presented to the state legislature early in 1977, the well-documented study concluded that a strong tourist industry could quickly and cheaply create jobs, increase tax revenues and generally bolster a sagging state economy.

On May 17 of that year, Governor Carey and the state legislature okayed a $4.3 million budget for fiscal 1978 to fund a tourism campaign to be waged by Wells, Rich, Greene. Six weeks later, New Yorkers were introduced to the "I Love New York" slogan and theme song in a five-week television flight which reached 20 markets in the Northeast.

Both Commerce Department and Wells, Rich, Greene spokesmen admit today that the campaign, however well planned and executed, was a shot in the dark when it began. Up to that point, most states relied heavily on brochures and tourist information centers to promote travel. The concept of a state spending millions on advertising was an awkward one for public officials to grasp. They considered advertising somewhat intangible and blanched at the thought of producing three spots at a cost of over $250,000.

But now there is no doubt as to whether the gamble has paid off.

More than 66,000 jobs have been added to the tourism industry since 1977, bringing the total close to 260,000. Studies show that 40,400 of those can be attributed directly to the "ILNY" campaign. Ticket sales on Broadway are up 100.8% over the pre-"ILNY" era. Statewide resort occupancy has risen from 69.4% in the summer of 1977 to 84% in the summer of 1981. And this increase is deceptively low because there has been a marked increase in the gross number of units. Over $265 million was spent or committed in 1980 and an additional $142.5 million through June of 1981 for the expansion or construction of upstate facilities alone.

The most impressive measure of the

campaign's success is the remarkable return on investment over the program's five-year lifespan. Commerce allocated and spent $31.7 million on the campaign from 1977 to 1980. The gross incremental state and local tax revenues attributable directly to "ILNY" amount to $250.2 million, representing a return on investment of eight to one. Additional travel-related revenues total $2,033.7 million, an awesome 64 to 1 ROI.

"It is a phenomenally profitable program," says Matschulat.

Creative coups and marketing discipline

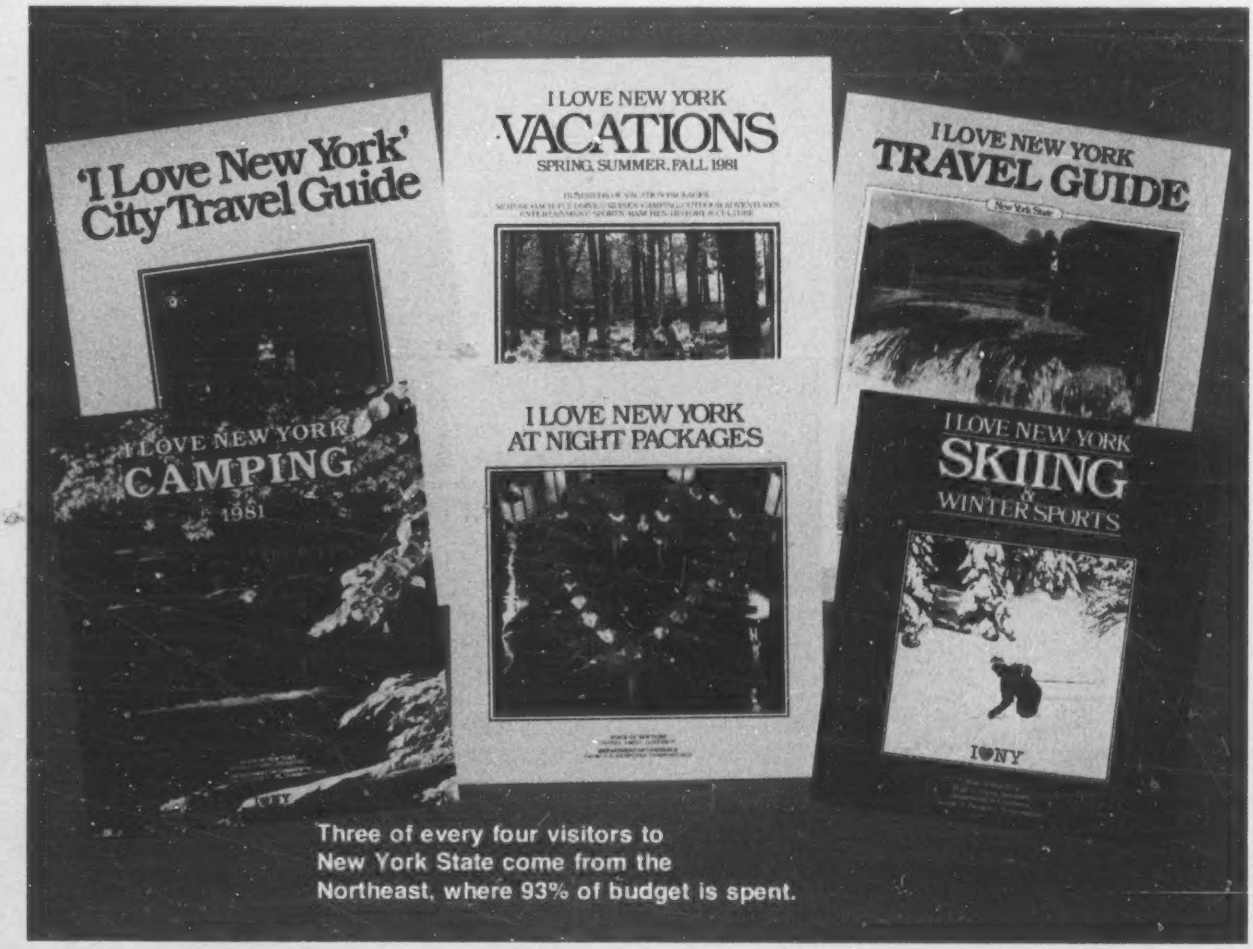
What made the "ILNY" a daring yet disciplined marketing plan?

The importance of the slogan itself cannot be overemphasized. Its overwhelming popularity has made it, in the words of its creator, Charlie Moss of Wells, Rich, Greene, "very precious property" indeed.

Buttons and a myriad of other memorabilia are part of "I Love New York" — and manufacturers of tv shirts, hats and other products have been encouraged to use its logo and slogans which have never been copyrighted.

If it were ever to get off the ground, the campaign had not only to lure out-of-state travelers to New York, but also to remind New Yorkers themselves of the attractions on their home turf. Moss, vice chairman and corporate creative director of Wells, Rich, Greene, convened a brainstorming session with a circle of advertising executives to conjure up a slogan that would pique the interest of both target groups. Having since become known as the "guiding spirit" of the "ILNY" campaign, Moss hit on the solution: testimonial advertising in which visitors from other states and countries declare their love for New York.

The deceptively simple testimonial,


'I Love New York' City Travel Guide
I LOVE NEW YORK
VACATIONS
SPRING, SUMMER, FALL 1981
I LOVE NEW YORK
TRAVEL GUIDE
New York State
I LOVE NEW YORK
CAMPING
1981
I LOVE NEW YORK
AT NIGHT PACKAGES
I LOVE NEW YORK
SKIING
&
WINTER SPORTS
I♥NY

Three of every four visitors to New York State come from the Northeast, where 93% of budget is spent.

New York State Tourism budget for promotion

	Fiscal year 1980-81		Fiscal year 1981-82	
	Dollars	Per cent of total	Dollars	Per cent of total
AD MEDIA				
Consumer magazines	$ 644,800	7½%	$ 313,000	3%
Trade magazines	215,600	2½	220,600	2
Network tv	—	—	328,200*	3½
Spot tv	2,907,400	34	3,360,400	33½
Spot radio	99,000	1	303,400	3
Newspapers	237,100	3	461,700	4½
Sunday supps	441,400	5	380,000	4
Foreign magazines	22,800	—	28,500	—
Airline co-op (NYS share)	526,500	6	650,000	6½
Total ad media	$5,094,600	59%	$6,045,800	60%
PROMOTIONS & BACK-UP				
Collateral	$1,549,000	18%	$1,715,000	17%
Public relations	302,000	3½	400,000	4
Research	134,400	1½	229,900	2
Production	783,900	9½	927,000	9
Seminars, mini-tours, trade shows, etc.	718,200	8½	768,300	8
Total promotion	$3,490,400	41%	$4,040,200	40%
TOTAL BUDGET	$8,585,000	100%	$10,086,000	100%

Source: Wells Rich Greene and N.Y. State Commerce Dept.

* Regional network feed.

"I love New York," became the keynote of the entire campaign and quickly became more than simply a catchy advertising slogan. Set to music by "the king of the jingle jungle," New Yorker Steve Karmen, the contagious four-word ditty almost singlehandedly transformed the public's emotional attitude towards the state.

"One thing about our slogan that people don't recognize is that it's emotional," says Martin Stern, executive vice president of Wells, Rich, Greene. " 'I Love New York' is a piece of emotion. And it apparently tapped what people actually felt; otherwise it wouldn't have worked. In fact, a lot of people were very negative about New York, and suddenly somebody was saying, 'I love New York.' It's very difficult to come by a slogan like that."

Taking New York's lead, other states have since adopted slogans for their own tourism campaigns: these include "You've Got a Friend in Pennsylvania," "New Jersey's Got It," "Make It in Massachusetts," and "Ooh, The State I'm In! Maryland." So far, none has evoked the extraordinary national and retail appeal of "I Love New York."

The proliferation of "ILNY" paraphernalia has reached near epidemic proportion and has provided incalculable support in the retail marketplace for the publicly financed campaign. According to Commerce, the logo was never copyrighted, in hopes that commercial producers might borrow it and saturate target markets with the image, thus multiplying the impact of the campaign itself. That is exactly what happened.

Thousands of matchbooks are in circulation which proclaim that "King Edward (Cigars) Love NY." The United Hospital Fund print ads have added a slight variation, declaring "Love a Healthy New York." I L NY Enterprises, a mail order business which sells monogramed "I Love New York" jackets, is actually based in Beverly Hills. Former actress Bess Myerson and colleague Bill Adler recently penned a national best selling book entitled "The I Love NY Diet."

"Born in New York, raised on its pavements and in its parks, educated in its schools and universities, trained in its hospitals, I love New York," gushes Dr. Myron Winick in the diet book's foreword.

But despite the creative successes of Moss, Karmen, 70-time-Clio-winning director Tom Horn, and a host of talented television writers and directors associated with the "ILNY" campaign, the influx of tourists and state revenues depended largely on the marketing plan.

"Everybody who thinks about this campaign thinks in terms of the buttons, the bumperstickers, the commercials and the music, the ads and the actors, and the scenic upstate pictures," says Stern, one of the primary architects of the media planning since the program's inception. "That was all important in the implementation, but I think that the basic reason it worked was because there was very solid marketing discipline involved — exactly the way we would have done it for Procter & Gamble."

Providing the foundation of the plan, insists Stern, is research. "It all starts with market research. Only by understanding the market can you then understand what media you need and what the various functions of the media are."

Stern considers the original research study conducted by Consumer Behavior and Wells, Rich, Greene to be the real birth of the "ILNY" campaign. Polls for the study measured participants' attitudes towards upstate versus New York City, as well as their impressions about what was and was not desirable about the state.

The study confirmed what Commerce officials and executives at Wells, Rich, Greene surmised. There were two distinct target groups and markets: more affluent singles and couples who spent short visits soaking up the culture-rich atmosphere of New York City, and families and lower income groups who toured the scenic landscapes upstate. Though there is considerable overlap in the target groups, each posed very particular media and marketing problems — problems exacerbated by a limited budget.

New York City presented a complication most ad agencies and their clients would relish. It is promotable at any time of the year in almost any part of the world. Because of budget limitations, Wells, Rich, Greene proposed that the city be promoted during cycles when hotel occupancy is normally low, especially in mid-winter. Thus, it has become a tradition for the campaign's intensive Broadway-oriented television advertising to debut in January or February.

Why so much emphasis on Broadway? Stern refers once again to the preliminary research. In a poll of New Yorkers and out-of-state visitors, Broadway was voted the most "appealing" attraction of New York City by a margin of two to one over its nearest competitor, museums.

Broadway is the number one attraction for getting people to come here and getting people to come back," says Stern. "It is the carrot. It's very visible; its very exciting. It's also unique. No other city has Broadway the way New York has it. And, of course, when people come to the theater, they have to stay at a hotel and they have to go to a restaurant to eat."

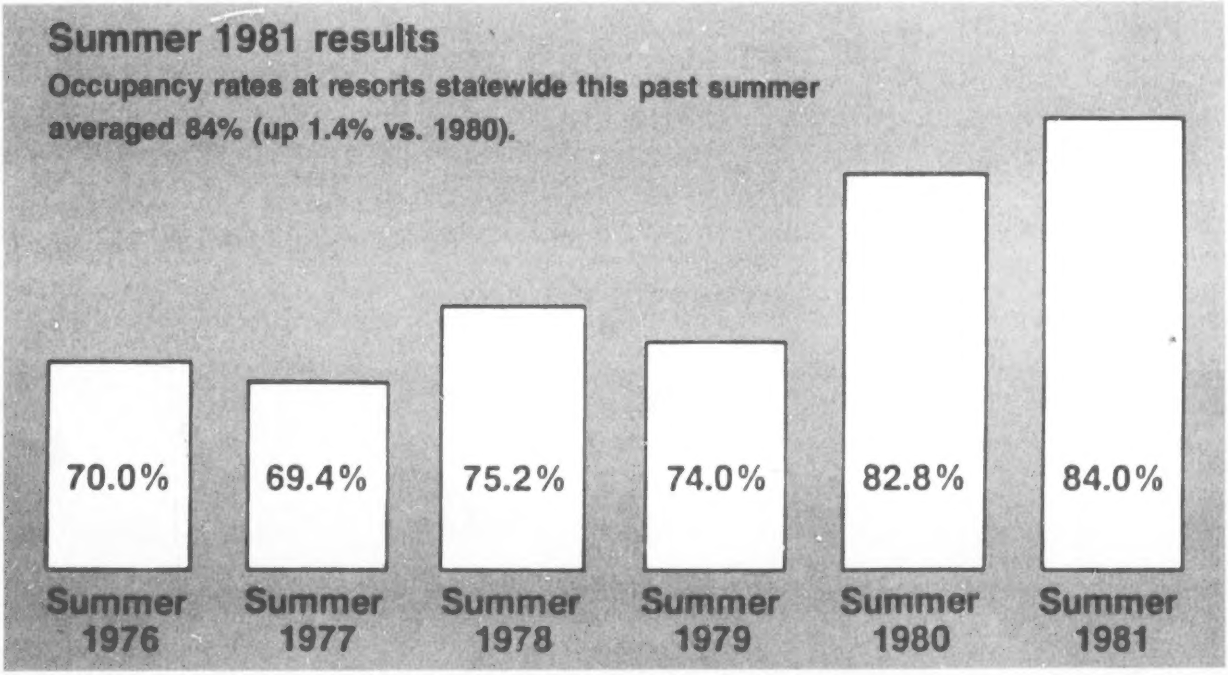
In addition to the theater, the latest spate of print advertising for the New York City campaign stressed the wide variety of shopping opportunities, the 23,000-plus restaurants, and the ease of travel to — and within — the city. Emphasizing the availability of package tours tailored to every taste, the ads have also attempted to convince economy-wary readers that the city is not only "incredible," but also "affordable."

Over the years, some confusion has existed as to whether "I Love New York" was a city or statewide slogan. In fact, in 1979, when Matschulat inherited the reins from William Doyle over the tourism campaign, she was beseiged with letters from upstate citizens and officials complaining that too large a percentage of the advertising was invested in New York City.

"In fact, 67% of the budget is spent on upstate advertising and 33% for the city — which, one could easily argue, is unfair because, if you look at the business (generated), it's more like 50/50," says Matschulat.

The reason for the imbalance, she explains, is that the portion of the campaign which focuses on upstate must fulfill two requirements. Before it can convince tourists to spend their precious vacation time upstate, the program must first increase public awareness as to what attractions exist there — a problem not generally suffered by New York City.

In addition to determining the socio-economic background and desired destinations of the target groups, market research dictated the geographical focus of the "ILNY" campaign. Whether lured by the bright lights of Broadway or the green slopes of the



Summer 1981 results

Occupancy rates at resorts statewide this past summer averaged 84% (up 1.4% vs. 1980).

Adirondacks, three out of every four visitors to New York State hail from the Northeast. Not accidentally, over 93% of the state's fiscal 1981 budget of $8.9 million — $5.1 million of which was earmarked for advertising — was directed at Northeastern markets. Advertising geared towards New York City has been placed in larger urban areas such as Philadelphia, Washington and Boston where there is a concentration of the more affluent professionals who routinely visit the city. In turn, smaller regional markets have proven more effective for the promotion of upstate.

Television: the medium for the message

Though target groups and markets for New York City and upstate may differ, the single most effective medium has remained the same for both throughout the campaign: television. Television is the fundamental vehicle by which the seed of New York's charm is planted.

From the creative standpoint, the television ads have been enormously successful. They have earned virtually every official accolade, including a special Tony Award. And though Broadway actors initially had to be persuaded to contribute their talents at scale, now, says creative director Moss, "there's a sort of waiting list to get into the commercials — no matter what the problems on price."

Moss, who wrote the first Broadway tour ad spots, describes the "ILNY" campaign as "one of the least problematical accounts you can have." The only disadvantage is self-imposed: the quality of the commercials has been so high that there is a great deal of pressure each season to produce new ads of equal or better creative ingenuity. Because the public now looks forward to the new set of ads every winter, explains Moss, any small creative failure would register as an enormous letdown.

Having enlisted the talents of Elizabeth Taylor and Lena Horne for the latest set of television spots, Moss admits that the Broadway commercials may have reached their peak. "Maybe we'll find another way to express the 'I Love New York' message next time," he says.

Broadway stars were happy to pitch-in for "I Love New York" commercials — contributing their talents at union scale rates. Among them were Lauren Bacall, Lena Horne and Elizabeth Taylor.

"Television has been our primary medium because it, more than any other medium, is able to get at people's emotions," says Stern. "And more than anything else, if you try to attract somebody to a destination, emotions are very important. Also television is a medium that increases awareness very quickly and, of course, is able to show off the places you want to highlight with sight and sound."

Though print is not as important as television in the "ILNY" media plan, it plays a critical role. Television plants the emotional seed and print nurtures the soil with information.

"Television has been our primary medium to get people to want to go," says Stern. "We use the print media more to tell people how to get there — to give people information as to where they can stay, what it costs, how to travel."

As has always been true, concrete information is the backbone of any argument used to sway tourists from one locale to another. Post office boxes and toll free 800 telephone numbers are vital elements in any travel-oriented advertising. Through these devices, as well as through countless travel agencies across the country and in Europe, interested vacationers can obtain copious folders packed with brochures touting New York City night spots, upstate camping grounds and winter sports havens. For the 1981 summer programs alone 3.3 million brochures were requested by and distributed to potential tourists and domestic and international travel agents.

Over $2.9 million, 57% of the fiscal 1981 advertising budget, was spent in spot television markets in the Northeast. Even in fiscal 1982, when $328,000 was set aside for network feeds, only Northeastern network spots were purchased.

As in the spot television market, "ILNY" media buyers have focused on print media that deliver specific target groups in the Northeast. Thus, total newspaper expenditures, including both daily ads and Sunday supplements, amounted to $678,000 (or 14%) of the fiscal 1981 budget. In fiscal 1982, newspaper advertising was augmented by an additional $164,000. Consumer magazines, which accounted for $645,000 of the fiscal 1981 budget, received less than half that amount in fiscal '82 because of the increasing demands placed on the budget by television costs. In both 1981 and 1982, disbursements for all media, including radio varied by only a few percentage points, once again underscoring the backup function that all other advertising in Northeastern markets plays to television.

Even at a gross of $10.1 million — $6 million of which is slated for advertising — the fiscal 1982 "ILNY" budget pales in comparison to large commercial accounts. Since the campaign kickoff in '77, the size of the budget presented obvious disadvantages. Even concentrated in Northeastern markets, the budget is not substantial enough to saturate the media as thoroughly as do many heavyweight commerical companies. The solution to the budget crunch is a model of efficiency.

"Rather than spread the advertising over a long period of time, we run for a very short period, but try to create tremendous impact," says Stern. "We've also found that if you run this campaign heavily on television for about a month, people think you've been on three or four months."

Follow-up research has proved the formula surprisingly successful. When polled, a significant percentage of individuals aware of the campaign insist that they have just recently viewed a commercial when, in fact, three months have elapsed since the last spot was aired.

Wells, Rich, Greene executives confess that condensed delivery was initially considered a risk. Today, the concept is hailed as one of the most innovative aspects of the "ILNY" media plan.

"The one thing I've learned in advertising is that you can't be everything to everybody," emphasizes Stern. "It's almost always better to focus. People sometimes get uncomfortable with that because they say, 'Well, what about the restaurants, what about the United Nations, the Statue of Liberty, the Empire State Building?' But if you advertise all of them, then you suddenly have a travelogue and the advertising becomes much more uninteresting and just doesn't work as well.

"I think that's been one of the problems with a lot of travel advertising," he continues. "Tourism promoters are so anxious to tell each potential visitor about everything that, in a way, they've really told them nothing."

Creator of I Love New York slogan, Charlie Moss (left) and Martin Stern, executive vp, Wells Rich Greene, who manages the account.

Stretching the dollars

National and international markets are relegated by the dictates of both market research and budget limitations to secondary roles in the "ILNY" campaign. To promote them, the N.Y. State Department of Commerce has relied primarily on cooperative advertising shared with major airlines. The first cooperative contracts were negotiated by Bruce Lucker, an independent promotional consultant, in the summer of 1978. In fiscal 1981 and 1982, the state budgeted $526,500 and $650,000 for cooperatives respectively — approximately 10.5% of the total advertising expense for those years. Fortunately for the campaign, airlines contributed eight to ten times as much.

Though the ratio of financial commitment is decidely in the state's favor, Matschulat insists that airlines have a great deal to gain by participating in the "ILNY" program. "What we offer the airlines in exchange for investing that money in promoting New York is use of the 'I Love New York' program — which has clearly been recognized as the most effective tourism promotion program anywhere. It gives them a competitive advantage in a given market. We give exclusive rights for use of the program to the particular airline that we work within a given market and it gives them the means of differentiating themselves from their competition."

To date, major participants in the cooperative campaign have included United Airlines, American, Braniff, Delta, Eastern and North Central domestically, and Japan Airlines, British Airways, Pan Am, Varig (from Brazil) and TWA on the international front.

A particularly powerful and economically efficient promotional device utilized by Commerce is the Broadway mini-tour which is also funded by cooperative programs. Capitalizing on the availability of talented Broadway performers, the state shuttles hit shows to various urban centers here and abroad for 1-3 night appearances. In February, the cast of "Sophisticated Ladies" was flown to Paris where they put on two well-attended performances for the French press and European travel industry representatives.

In a similar vein, Commerce footed the bill for national and international press and travel agents to visit New York.

And the state sponsors a host of local promotional tie-in programs, ranging from children's camps to summer festivals.

Good will is a factor which fails to show up on expense ledgers but which has unquestionably contributed to the success of "ILNY." For the very first Broadway show tour commercial in 1978, Wells, Rich, Greene convinced actors to work for scale and to waive residuals. "Otherwise," Stern points out, "none of those commercials would ever have been made." Every year since, stars have eagerly stepped in front of the camera to sing, "I Love New York." Top names like Lauren Bacall and Mickey Rooney have worked for rock-bottom prices not only because the ads plug their own shows, but because the actors claim a sense of loyalty to the state and to the institution of Broadway.

That invaluable allegiance extends to Wells, Rich, Greene as well. "This is not an account that we make a hell of a lot of money on," says Stern. "That's not really our purpose. When we first took the account, we looked at it primarily like a public service account.

"I mean, who would not want to help New York State when you make your own living here?"

Swamping the competition and looking ahead

Without question, the success of the "ILNY" campaign has persuaded numerous state tourism agencies to value creative advertising and a disciplined media plan. For many, however, inadequate funding presents a persistent problem. Though per visitor, New York ranks near the middle of the pack in promotional spending, its gross $10.1 million budget is larger than that of any other state.

Maryland, which initiated its "Ooh, The State I'm In!" campaign just last year, was granted an advertising budget of only $408,000. Director of tourism Kurt Alverson insists that his department makes a conscious effort not to duplicate "ILNY" strategies, but admits that they do serve as models. He considers use of television as one of the most dynamic and effective traits of the New York program. Unfortunately, given his "meager" budget, television production and spot costs are prohibitive, and he has restricted the state's media spending to print.

In competing with New York, Stephen Richer, the New Jersey Director of Travel and Tourism, claims that his state enjoys a definite advantage over others in the Northeast. "We don't compete," says Richer "We're glad about the New York campaign. The more people go to New York, the more they are drawn into our area. It's very much a plus for us." And a reaffirmation of the drawing power of "ILNY."

The New York tourism campaign has been so successful in attracting tourists from competing states and in reawakening New Yorkers to the many attractions around them that the Commerce Department, again leaning on the creative shoulder of Wells, Rich, Greene, has just recently initiated "Made In New York," a sister campaign geared towards business. The objectives of the new campaign are twofold: to convince local businesses to remain, and to lure national and international companies to New York. Despite being funded and adminstered separately from the tourism program, "Made In New York" will borrow many of the winning ways of "ILNY," including the logo and theme music.

Though there have been many difuse campaigns aimed at business over the years, "Made In New York" was offically christened in the fall of '81. The state's commitment to the program was evidenced when the $1.29 million fiscal '81 budget was boosted to $2.8 million for fiscal '82. As in "ILNY," spot television leads the list of media expenditures, accounting for 35 percent of the new budget. Surprisingly, the international market is considered to have rich potentials. Whereas only .4 percent of the tourism budget is slated for foreign print

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United States
Virgin Islands

It's in VOGUE®
The book women live by.

media, 21.6 percent of the "Made In New York" campaign will be spent in overseas magazines and newspapers.

Now that the campaign has been given a unified identity and media strategy, as well as a substantive budget, Matschulat promises that " 'Made In New York' is going to be a very, very major campaign."

In studying the "I Love New York" campaign, one is hard pressed to find even minor setbacks. Radio producers bristled in the summer of 1977 when campaign administrators requested that audio tracks from Broadway television commercials be aired gratis as public service announcements. Citizens and the press flinched in mid-1980 when the legislature considered stamping the "I Love New York" slogan on license plates — "Here is a piece of consummate politicians' gall," wrote New York *Times* columnist Russell Baker, "not satified with taxing you, they also force you to say you love them." And the Albany city council had its feathers ruffled in the fall of 1980 when campaign television producers imported 200 pigeons into one of the town squares to give the pigeon-free city a Viennese flair. But these basically inconsequential regressions can hardly dim the brilliant achievements of a program which has literally created thousands of jobs and raised millions in revenues for an economically depressed state.

If any flaw exists it is courtesy of tight-fisted state legislators. Despite the remarkable return for every dollar spent on "ILNY," the legislature has refused to increase funding, even to keep pace with inflation. Commerce, arguing that the $10.5 million was spent in fiscal '79 buys 36% less media exposure in 1982, proposed a $6 million budget increase for '82. The legislature finally signed a disappointing $10.1 million budget.

"You do expect that in post-introductory years you don't have to spend as much money to maintain a given level of volume," says Matschulat. "We're not talking about a situation of saturated market — of having gotten everyone who could possibly come here coming here. We feel there's room for growth. If we were to maintain the purchasing power of the budget level we had in 1978 and 1979, we should expect a substantial increase in the volume of business."

Still, the performance of the "I Love New York" campaign has surpassed all expectations and promises to continue to do so.

"There's no end to the kind of things that can be done," says Stern of Wells, Rich Green. "This campaign hasn't reached its end by any means."

Rob Howe

Rob Howe, currently a New York free lancer, was an editor at the Washington Star.

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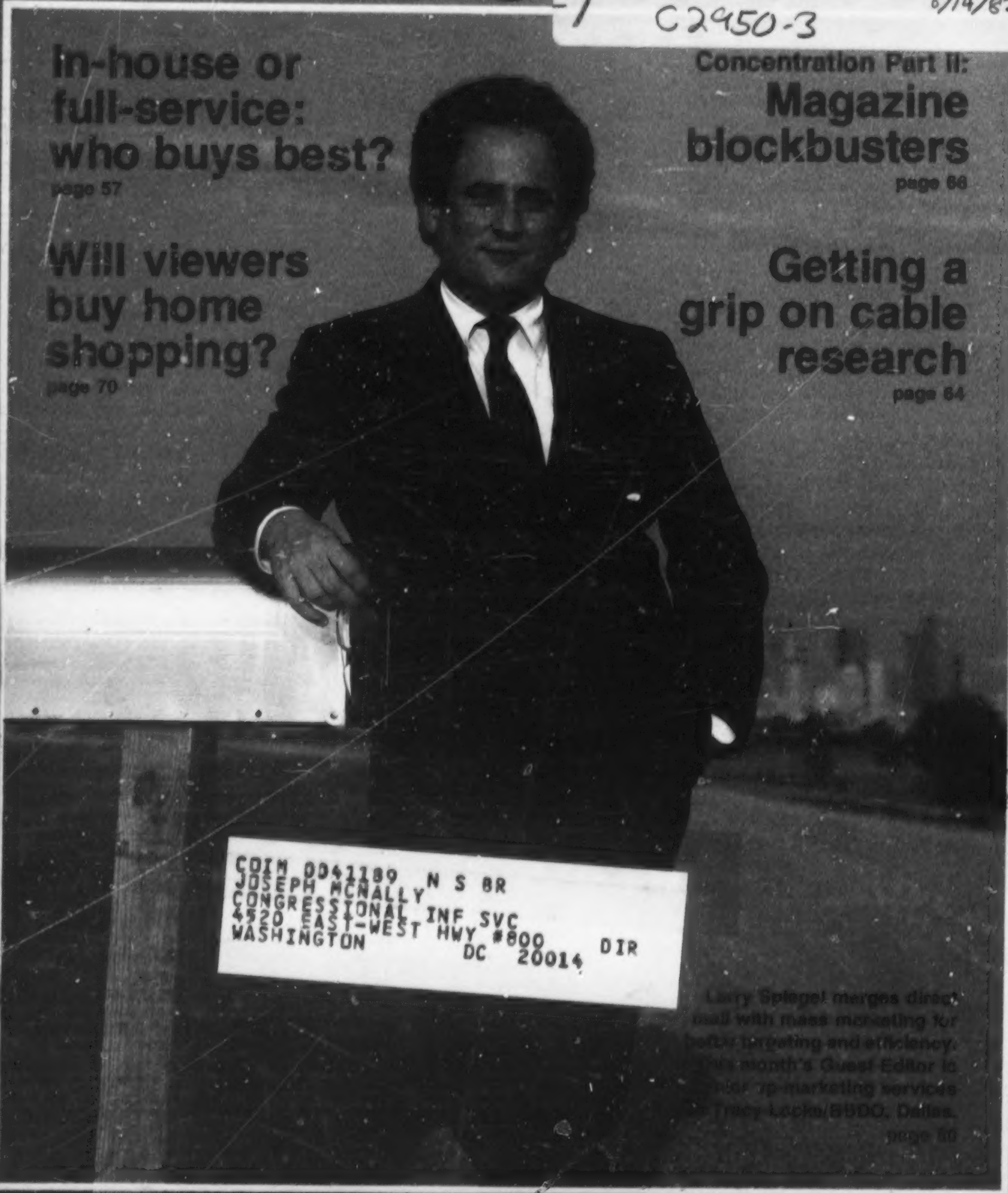

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Larry Spiegel merges direct mail with mass marketing for better targeting and efficiency. This month's Guest Editor is senior vp-marketing services at Tracy-Locke/BBDO, Dallas.
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In the U.K., teletext displaces evening news

When teletext really gets going, it may ace out the 6 p.m. news, if early findings from the United Kingdom are any criterion. Data from Communications Studies and Planning International, Inc., New York, shows teletext is used in preference to early evening news among teletext viewers, in a three month 1981 study. The primary services accessed are the news, weather, sports and tv listings. The survey also showed that two thirds of teletext use occurs during general television viewing. It is used independently of television watching only on 14% of all occasions.

Viewing interrelationship of teletext and television

Percent of recorded occasions of teletext use	Teletext/television relationship
46%	Television channel loyalty maintained either side of teletext use
21%	Television channel changed around teletext use
13%	Teletext used before start of television viewing
7%	Teletext used after end of television viewing
14%	Teletext used independently of television viewing

Source: CSP International

Base = 2375

The CSPI study concludes "if teletext were used mainly to complement television program coverage of news, one would expect a drop in use around the time of BBC-I's and ITV's early news. In fact, teletext use increases rather than decreases at those times. This suggests that teletext is being used in preference to tv news."

But CSPI also notes that while the research indicates teletext does interrupt tv viewing, it also reveals high channel loyalty among users. The same television channel is viewed both before and after teletext use in 69% of sessions. The average teletext session lasts 14 minutes in a typical viewing situation.

Cable audio seen as a neglected sleeper

With the wiring of the nation for cable television, there exist enormous possibilities for adding a variety of audio feeds that could supplant broadcast radio material. Richard Mahler, president of Radiowest, describes the possibilities in *Airwaves*, the audio independents radio newsletter.

"In the Spring of 1982, cable audio is a mere footnote in the explosive history of cable-delivered information and entertainment. But many observers see that changing dramatically during the next five years. With the potential for hundreds, if not thousands of new, specialized audio program services becoming available via cable hookups.

The most promising future medium for independent radio producers and audio artists, they believe, is cable. They point out the cable audio is encumbered by few if any legal restrictions, can accommodate long-form and commercial free programing, can deliver consistent high-quality sound, and has the potential for squeezing hundreds of signals into a spectrum that used to be available to just a few dozen stations.

"Cable audio has its doubters, of course, and even its most vocal proponents conceded that a host of technical, marketing, promotional, legal and programing issues must be resolved before the medium begins to approach what's being promised. Some question whether cable audio will offer any more diversity or opportunity than commercial radio or television, arguing that independent video producers have yet to realize significant gains as a result of the tremendous growth in new video technologies now becoming available.

"For the present, the cable audio field appears wide open, a reality with few precedents in the history of electronic media. With few players in the game, independent producers still have an opportunity to at[illegible] make their presence known and to advocate on their own behalf.

"All the evidence points to the likelihoood that cable audio, for better or worse, will become a well defined part of the electronic communications industry within the next five years, with its own set of written and unwritten rules, protagonists, image makers, and limitations. The question depends in large part on how independents themselves react.

"Pay cable audio's future seems assured to at least a limited extent by recent surveys showing a significant percentage (10% to 50%) of cable tv subscribers would pay up to $15 a month for specific types of commercial free audio services."

Survey of media department's new business role

Media in 84% of agency final pitches

Joel S. Kushins, senior vp-media director, Bozell & Jacobs, reports on survey made with the help of Decisions. Question: How deeply involved in new business solicitation are full-service agency media departments? Answer: Media is involved in 84% of final presentations, but in only 65% of preliminary pitches.

Far from being a stepchild in new business presentation, the media department has taken its place alongside creative and marketing as a critical element in the agency's regard for the full-service-agency system, but lends a well-earned endorsement to "media" as a career with much opportunity for growth and advancement.

This was the message at last December's Marketing and Media Week's panel on "The Media Department and New Business."

When I was asked to chair the panel, much of the interests of the audience and substance of the panel discussion appeared to be self-evident. We expected to attract a group of bright, young career-directed media people who would want some experienced guidance on the role of a media department in acquiring new business, defined and described by a panel of veterans of the art.

In preparing for the workshop, however, we began to realize that there were many things we often take for granted which are essential to any one person's or department's success in new business solicitations. These include the depth of preparation and analysis, skilled and effective use of presentation materials, compatible and respectful interrelationships between the media department and the agency's other service departments and account groups and, most importantly, recognition by agency management of the importance of a media department's presence in new business meetings.

As it is management's role to set the stage for any initiative, we thought it would be of more than passing interest to find out how major agencies employ media departments in their new business efforts. So, we sent out a questionnaire through *Marketing & Media Decisions* to 125 top agency ceo's to find out.

The questionnaire sought to find out about the scope of involvement of service departments in new business activities, what levels of personnel are involved in the process, and the relative importance of the various agency departments and personnel. We also sought to find out the use of media recommendations in presentations, and we wanted to see if these ceo's methods were different now than ten years ago. There were 40 responses.

Our first question asked the ceo's to rank the importance of the various service departments in new business meetings from 1 to 4 (one being most important). We weighted their total responses. The rankings essentially fell into two groups — with account service most important followed closely by

Media people will not only have opportunities to experience agency growth through new business, but will have a role in creating it, says Joel Kushins.

judgment is made going into the program on what to expect, we haven't had a clear understanding of what would constitute a success coming out.

"The proposal to use a shop-at-home is seemingly reasonable. It's cheap. You get multiple runs. There's a call-in or direct response mechanism built in. But if you get a 2% response based on the subscriber base, is that a success? No one goes in and says they expect a 5% response. For now, we can only measure its success by the fact that some of our clients have gone back on the show a second time."

All of the cable media experts *Decisions* talked with said clients either already had used a cable shop-at-home show and would do so again, or that they had been considering using the programs and would have some clients on before the end of the year.

While media people generally endorse the idea of the shop-at-home program, serious concerns remain about the true capabilities and effectiveness of the shop-at-home shows right now. Most of the problems, however, are perceived as growing pangs that should be resolved by the inevitable maturation of the cable medium.

The most common media reaction to the limitations of the shop-at-home program is the lack of reach. Modern Satellite Network's *The Home Shopping Show,* which in 1978 was the first shop-at-home program to appear on cable, claims a reach of 4.1 million cable homes. That is, there are 4.1 million households spread across the country that have the capacity to receive the program. The claim is not that *The Home Shopping Show* has 4.1 million viewers.

In any event, no other cable shop-at-home program now cablecasting comes close to *The Home Shopping Show's* distribution. Several, in fact, are local productions. *The Cableshop,* the joint venture between J. Walter Thompson USA and Adams-Russell, a cable franchise operator, is distributed only in Peabody, Massachusetts to 6,000 subscribing cable households. Still, 15 of JWT's national accounts are participating in the programing venture.

THE
HOME
SHOPPING
SHOW

Warner-Lambert is marketing its e.p.t. Early Pregnancy Testing kit on MSN's *The Home Shopping Show.*

Other media criticisms and reservations on the shop-at-home shows include the lack of results to prove that there is viewer demand for this type of programing. Further, no one knows yet precisely who that viewer is.

"Isn't it possible that we're just reaching the coupon clippers of the world?" asked one agency cable expert. "If that's the case, it really restricts what kind of advertiser can use a shop-at-home show. I'm not saying that's who's watching these programs. I'm saying we don't know who it is."

Also in question: what precisely can participation in the programing accomplish? Is the shop-at-home show a useful direct marketing tool?

Jim Perkins, the creator and original producer of *The Home Shopping Show,* says not, if the goal is to sell products. The shop-at-home show works very well, Perkins says, for demonstration. (See box, pg. 108)

Continued on page 108

THE
HOME
SHOPPING
SHOW
MSN

***The Home Shopping Show* simulates the look of a locally-produced talk show, avoiding a slick look that might not appeal "in the hinterland." In this segment, representatives of Tupperware appear.**

creative, followed by media and market research.

We next asked them to tell us which departments they usually call upon to present to a new business prospect. We asked them to distinguish between preliminary "getting to know you" sessions, and final complete presentations.

In the preliminary presentations, ceo's are more prone to call upon account service representatives than anyone else to say hello to the prospect, although a creative representative is often present. Media and research people are frequently brought in, but somewhat less often than account and creatives.

By the final presentations, there is more likely to be universal representation from all departments, with significant increases in participation by media and market research people.

Usual order in which each agency department makes its first appearance in a new business solicitation (Rank 1 through 4, with one being most often the case).

	Weighted index
Account Service	100
Creative	43
Media	34

Excluding account service, is the same person from each department used for all presentations, or does it vary from presentation to presentation?

	Creative	Media	Research
Same	45.9%	64.9%	73.0%
Varies	54.1	35.1	27.0

Who from each department is usually chosen to present to a new business prospect?

	Account service	Creative	Media	Research
Director	78.4%	100.0%	94.6%	91.9%
Associate (2nd in command)	43.2	48.6	29.7	18.9
Supervisory	51.4	10.8	8.1	8.1
Other*	21.6	13.5	2.7	2.7

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* i.e., account executive, writer, planner, analyst

Of every ten agency presentations, in approximately how many is each department involved?

	Currently	Ten years ago
Account service	9.6	8.1
Creative	9.2	7.6
Media	7.2	6.5
Research	7.0	6.4

We next sought to quantify the frequency of participation of the various departments, and also asked the ceo's to compare the current state of affairs with ten years ago.

Account service and creative people are used in excess of 90% of the time, while media and research people appear in new business presentations over 70% of the time. Compared with ten years ago, new business presentations today are more likely to have representatives from all departments involved in the pitch.

This is also verified by answers to our next question on the relative depth of involvement by departments now versus ten years ago. Substantial increases are posted by media and research.

We also wanted to know whether ceo's would go the extra mile with speculative media presentations as they sometimes do with creative. So we asked them whether they would present a media recommendation to a new business prospect even if none had been requested.

And, we were surprised to find that more than 80% do make speculative media presentations on some occasions.

In another series of questions, we sought responses on who is generally chosen to present to new business prospects from each department.

Ceo's draw from a cross-section of individuals to present from each department. Most usually, it is the department director in media, creative and research who will present to the prospect. But, it is not unusual for associates, and supervisory and junior members of each department to also participate.

Are the same people from each department used all the time?

We were told that, while the same people generally present, there is a substantial variation of people periodically presenting from each department.

In what order does each department generally appear during the course of a presentation?

The responses showed account service generally presenting first, followed by creative and research in about the same position. And finally, media is relegated to last position for a strong conclusion.

Lastly, we wanted to know a little bit about the behind-the-scenes practices in preparing for the presentations. So we asked whether the ceo's preferred a more structured approach to new business preparation, with all activity delegated through one unit — or do they allow as well for a generally open forum among members of all service departments.

Here, we found about an equal division among the respondents, with half opening up the preparation to the thinking and general discussion of all departments.

There are several key observations and conclusions from this study.

First, more than ever, new business acquisition is a total agency effort. No longer are agency managers relying upon only a handful of individuals to perform all of the activities necessary for effective development of a presentation to new business prospects.

The media department is involved in new business more extensively than in the past. In fact, the rate of media involvement is close to the point of making it indistinguishable from any other department's participation.

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CORDLESS PHONE

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- **How many times have you made a mad dash for the phone . . . only to find it's stopped ringing?**
- **And what about those occasions when you were simply too far away to hear it ring?**

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. . . and you have **freedom of phone movement** like never before! Your phone goes where you go! Take it from room to room — anywhere in your office. Take a break in the patio, pool or garden. Work way out in the garage, basement or driveway. The Interstate Phone is there at your side.

EXTENDED RANGE
Here is truly the ultimate in cordless phones. The Interstate Phone has unbelievable sound fidelity — with an extended range of up to 600 feet. The entire unit — 10.5 ounces — attaches lightly and easily to a belt, or slips into a pocket. Yet you can receive or place calls to any corner of the world.

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The Interstate Phone unit includes everything you need: Phone • base station • compatibility with all rotary or pushbutton systems • easy installation with standard phone jacks.

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The last number called is stored in the memory and is **automatically redialed** — just push **one** button — great to reach forever busy numbers — saves redialing a string of codes.

BATTERY RECHARGING CORD
Still another Interstate Phone **exclusive!** A great new way to keep your phone charged — with no need to return it to its base unit. A **charge cord** is provided, to plug into any AC outlet in the house. Which means the base can be tucked permanently out of sight AND the phone is anywhere you want it — being charged.

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be asked for an editorial calendar. The value of an ad can often be enhaced by running in a complimentary special section or special edition.

With respect to the marketplace conditions, the reps can help explain the competitive framework and possible distribution peculiarities of certain brands. Most importantly though, the reps should be able to explain the needs of each particular target audience segment and how his/her book addresses those needs editorially.

While this certainly sounds easier than Frodo's adventure to Mordor, there are still improvements in the trade planning process that need to be made. The first one is further standardization of the SIC codes and subsequent development of a computer model for circulation analysis. Other areas that can be improved involve the expansion of both marketing and audience research.

MAGAZINES
by JOEL FISHER
vp, Compton Advertising,
New York.

Compton's view of magazine industry, part II

The following is the second article in a four part series on the way one major 4A's agency, Compton Advertising, perceives the magazine industry.

In the first article, the relative vitality of the magazine industry was discussed. In this section, obvious strengths of the medium are reviewed.

Obvious Magazine Strengths

Why should advertisers support magazines? Why should agencies fret over the well-being of the print industry?

Actually, there are numerous reasons. Too many, in fact, to review in a single article. We will, however, review some of the more obvious more important reasons including: efficiency, reach, selectivity and flexibility.

Efficiency

Fact — Magazines deliver audiences efficiently. The P4C CPMs for the "Seven Sisters" are considerably less than those for television — even the venerable day network. (Chart A)

TV — CPMs: Compton estimates

The same argument could, of course, be made for male demographics. Comparison of male oriented magazines to television finds magazines delivering far more efficiently. But the comparison is most pointed when one analyzes specific magazines against special, upper socioeconomic demographics. These publications offer editorial directed towards these population segments and are purchased and read by the same.

Most people realize, and *perhaps* correctly so, that magazines work best in conjunction with television — in a supportive role.

It is in this capacity that magazine's reach ability is most attractive.

Take the heaviest schedule recorded in the most recent Nielsen Brand Cumulative Audience (BCA) report. Though the schedule reaches 90% of homes or 88% of adults 18 plus (Compton estimate), of the adults reached 23 percent were exposed fewer than 3 times. Though it is not our intention to engage in a discourse on effective frequency, few would argue that one exposure (or two for that matter) is enough. Take 20% of the money away from that schedule and put it into magazines and you end up with a higher reach, particularly against those exposed at least 2 and 3 times. (Charts B & C)

Reach

Using the medium correctly, magazines can build reach quicker per dollar than television. Two insertions in *Reader's Digest* and *TV Guide*, plus one insertion in *People, Good Housekeeping, Sports Illustrated, Woman's*

Chart A

	CPM Magazine P4C			CPM TV : 30	
Magazine	**W 18+**	**W 18-49**	**Daypart**	**W 18+**	**W 18-49**
BHG	$2.77	$4.21	DAY	$2.92	$ 5.33
FCR	2.50	3.88	PRIME	7.16	12.41
GDH	2.16	3.25	LATE	7.70	12.97
LHJ	2.41	3.86			
McC	2.89	4.43			
RED	2.96	4.13			
WDA	2.33	3.62			

Source: Magazines — costs: SRDS open rate
— audiences: MRI

Chart B

	Adults 18+	
	TV Only	**80% TV + 20% Magazines**
Total Reach	88%	94%
Total 2+ Reach	77	87
Total 3+ Reach	67	80

Source: Compton Estimates

Chart C

		CPM			
Demo	**Magazine**	**Magazine**	**Day**	**Prime**	**Late**
Working Women	**Working Woman**	$ 5.64	$ 13.95	$15.48	$20.71
Men 18+, $20M+, HOH, POM	**Business Week**	21.00	105.00	45.00	40.77

Source: Compton Estimates

Chart D

Medium	**Reach**	**Freq.**	**GRPs**	**Cost**
Magazines	75	2.9	215	$610M
Day Network	45	3.7	167	610M
Prime Time	40	1.4	55	610M
Late Night	29	2.1	60	610M

Source: Compton Estimates

Day and *Newsweek* deliver an adult 18 plus reach of 75 for $610M. One can not do nearly as well in tv — or any other medium. (Chart D)

Why is this so? Simply put, not everyone is a heavy tv viewer. As research has shown us time and again, there are significant sections of the population who are light viewers of television, but now are heavy readers of magazines (Media Imperative).

Reach and frequencies of television audience over a 4 week average appear to imply heavy reachability, but the true effect is, in actuality, somewhat less so.

Selectivity

Magazines allow advertisers to concentrate their efforts against select population segments. Of course, this is a logical benefit for speciality advertisers. Many products with upper income demographics (e.g. H.H. Income $50M plus, Professional/ Managerial) are already well aware of this and take great advantage of this exclusive magazine ability. However, other advertisers with universally appealing products should realize this as well. A product whose primary demographic is all adults (or all anything for that matter) should also, by definition (all adults), be concerned with these selective sub-population demographics. After all, upper income homes, executives, outdoorsmen and the like are all part of the total universe. Nor is it an acceptable counter argument that you must select either generic advertising or selective advertising because of limited budget constraints. The amount of money we're talking about just is not that great — while the potential payout is. This, of course, relates to another benefit of magazines the ability to define target markets minutely. TV research only allows for broadbased demographic definitions. With magazines, you can be as specific as you like in defining your target and monitor media delivery against it.

Flexibility

Magazines offer tremendous flexiblity. They come large and small: *Reader's Digest* has a 37 rating against Adults 18 plus, TVG delivers 31 rating points. Also, they cover total U.S. or selected metropolitan areas.

Even those magazines that cover large geographic/demographic areas/ populations offer the ability to concentrate efforts against more selective areas of demographics. *Time Magazine's Time B* edition and *Newsweek's Newsweek Woman* edition are just two examples of this growing phenomenon, while *Parade Magazine* offers thousands of different buying opportunities. Even when the magazines themselves do not offer this degree of flexibility, other media services (as Media Networks Inc.- MNI) do.

Summary

There are many reasons to use magazines including: efficiency, reach, selectivity and flexibility. Each attribute, in and of itself, is reason enough to use magazines — in combination they are most persuasive. Of course there are other reasons — impact, awareness and creative flexiblity being three. In the next article, we will discuss yet other rationales for supporting magazines. ■

OUT-OF-HOME

by MARTIN J. MULLANY

outdoor manager,
McCann-Erickson, New York

The cliche as input

Sometimes working the out-of-home disk is like being in a cocktail party conversation: opinions are abundant but backup minimal.

Because of its relatively low usage level, more people know less about out-of-home than any of the other media forms. And some of them won't admit it. Consequently, there is often an abundance of cliches cluttering up the decision making process when out-of-home is on the table.

How do you spot an out-of-home cliche? Well, picture a *New Yorker* cartoon character with perfect poise and posture saying, "Actually . . ." But it's not that simple. One real clue is that following the cliche there is absolute silence from the speaker. After all, is there anything quieter than a vacuum? Here are a handful or so of the more common cliches which might serve as guideposts.

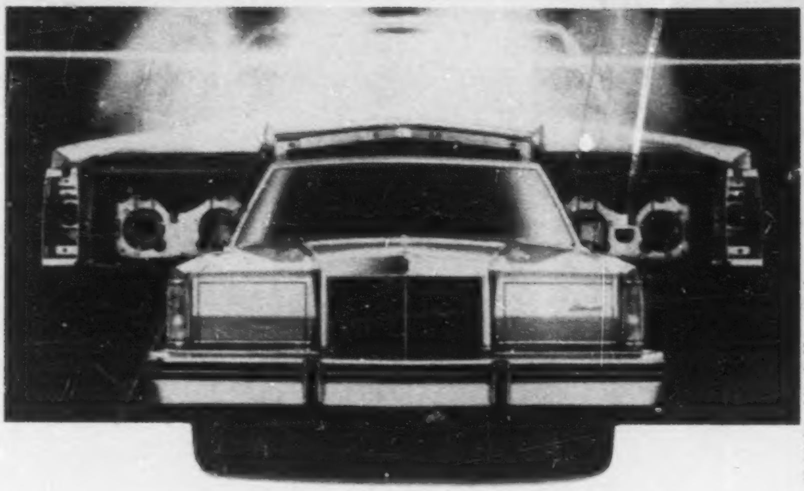
Probably the most hackneyed phrase voiced by those who know next to nothing about out-of-home media is: "*Los Angeles is a good outdoor market.*" This obvious and useless piece of information is usually announced early on in a meeting, before the subject of markets comes up and whether or not Los Angeles is on the market list. I guess it relieves the speaker from the responsibility of further input and is an attempt to establish some credibility should further input be unavoidable. It is safe to assume that the gratuitous use of this phrase exhausts the speaker's contribution potential.

Once in a while the unbelieveable happens, and someone inputs two cliches about out-of-home media. We've already gone through the probable first. The second usually is: "*Los Angeles is not a good transit advertising market.*"

Unlike the first instance, where the cliche was harmless, this one is dangerous because it can, if believed, limit media options. The speaker should be challenged.

Under hypnosis it will be revealed that the basis of this cliche was repeated exposure to Johnny Carson reruns. Years ago, Johnny routinely poked fun at the Los Angeles bus system . . . Ed laughed . . . The audiences loved it. Many easterners "deepened" their knowledge of Southern California.

The facts show a somewhat different situation. The Los Angeles Transit System has more buses than Chicago, and only a few hundred less than New York City. Users of this cliche should be checked for an experience level greater than having once been driven by parents through L.A. on the way to Disneyland.



Detail from Lincoln-Mercury ad.

Brand Report 77:

Automobiles

As car sales dwindle, competitive battles in Detroit continue to escalate. Rebates are out, warranty/maintenance programs are in and new product introductions are proliferating. To spread the word to potential consumers, automakers are looking to retail advertising in newsweeklies, newspapers and radio more than other media.

John G., owner of a car dealership in a small suburb outside of Philadelphia, watched the hands on his showroom clock methodically count down another day. Almost 7 p.m. and only one customer had shown up. A bad day, but nothing unusual.

U.S. automakers lost more than $4 billion in 1980 and $1.5 billion in 1981. But as car sales dwindle, competitive battles in Detroit continue to escalate.

In trying to break with new programs that will overpower their U.S. competitors and tackle the imports, auto manufacturers are looking to retail advertising as never before to get the message to consumers. In doing so, the most favored media these days are newsweeklies, newspapers and radio.

And because manufacturers need to be more highly attuned to the marketplace, the new name of the game is flexibility. Advertisers must be able to develop programs on shorter notice and revamp existing plans as necessary.

Notes Joseph Cronin, advertising manager for Dodge, "We put together our 5/50 program in about 45 days whereas in the past it probably would have taken much longer. Similar to what's happening with the airlines, we're continually changing our plans, depending on the marketplace climate and what our competitors are doing."

As a result of the perception that rebates are no longer effective in stimulating a soft market, manufacturers are trying new tactics — offering a mixed bag of extended maintenance and warranty programs on parts and service, cash bonuses and low interest financing.

The key word behind all of these packages is quality. Says Lincoln Mercury advertising manager John B. Vanderzee, "Similar to last year, the emphasis is on quality. But this time, instead of just talking about it, we're proving it by showing that we have the confidence in our products to back them for two to three years."

Lee Iacocca, chairman of Chrysler, takes a similar stance in his appearances in ads: "I've been saying all along that the cars the Chrysler Corporation makes are as good, if not better, than anything else coming out of America, Europe of Japan. Now we are proving we mean what we say. We are serving notice on the Japanese and the automobile builders of the world that Chrysler engineering stands for quality, durability and outstanding value, and we're prepared to back it."

With all the talk about quality, David Healy, analyst for Drexel Burnham Lambert thinks that Detroit still has a lot of convincing to do. Says Healy, "There's a perception lag. It will take awhile to persuade consumers on the quality issue, just like it took awhile for people to believe that Japanese cars had better quality."

Along with fighting the quality war, another problem car manufacturers are facing is the grim fact that people just aren't buying cars as often as they used to. According to the Motor Vehicle Manufacturers' Association (MVMA), the average life of cars on the road has increased to 6.5 years, compared to 5.5 years a decade ago.

Analysts agree that a major reason people are holding onto their cars longer is high cost. The average sticker price of a new car is over $10,000, compared to about $6,500 four years ago.

And the "pent-up demand" that manufacturers were counting on to turn the auto market around never really surfaced. "If the pent-up demand was there, it should have exploded by now. Where the hell is it?" asks Al Rothenberg, manager, media relations at the MVMA.

One theory behind the trickling car sales is that cars are no longer the status symbols they once were. Consumers now view cars as functional transportation rather than expressions of success in life.

Says one industry observer, "Cars were status symbols when they were the only major purchase a consumer made besides a home. Now they're in competition with any number of items, including home entertainment centers, computers and boats."

Of the people who are buying cars, there seems to be less concern with fuel efficiency than last year. One of the reasons is that the price of gas has stabilized and people have gotten used to paying a dollar or more a gallon.

David Healy agrees. In fact, today gas priced at $1.15 or less, seems like a real bargain compared to $1.50 a gallon a year and a half ago.

Because consumers are paying less attention to fuel efficiency, advertisers

Automotive media expenditures, 1981

	Magazines	Supps	Net tv	Spot tv	Net radio	Outdoor	Spot radio	Newspapers	* 8 media total
General Motors Corp.	7,563.7	441.7	10,637.6	30.6	—	—	—	294.7	18,968.3
Buick	5,941.8	101.4	15,989.8	987.7	984.3	270.0	259.1	927.5	25,451.6
Cadillac	6,212.1	60.2	6,012.0	1,587.5	—	—	1,051.6	1,438.2	16,367.6
Chevrolet	17,045.3	1,177.5	39,663.9	2,004.5	117.4	2,557.8	15,368.7	10,774.1	88,707.2
Oldsmobile	7,778.2	—	12,005.1	2,810.3	433.8	75.7	3,160.1	1,626.2	27,889.4
Pontiac	4,763.4	—	24,689.5	4,704.2	883.4	46.9	128.8	711.6	35,938.3
Ford Corporate	4,075.5	—	15,145.3	1,439.5	2,686.2	—	1,237.1	2,596.8	27,180.4
Lincoln-Mercury	14,483.2	38.9	21,872.4	7,893.2	334.7	141.1	1,138.6	2,219.8	48,121.9
Ford Division	25,712.3	59.9	51,924.2	9,983.8	1,329.7	688.7	672.9	3,609.5	93,881.0
Chrysler Corporate	5,020.9	—	15,961.6	6,172.2	2,758.2	16.5	23,453.4	6,488.9	59,871.7
Dodge	9,572.6	—	8,782.9	3,252.6	—	66.6	1,643.7	4,353.1	[illegible]7,671.1
Chrysler-Plymouth	7,500.5	—	24,716.2	6,089.2	318.2	70.4	2,450.3	6,970.0	48,124.6
American	9,346.6	—	5,963.5	11,032.4	—	7.7	236.4	666.9	27,253.5
Renault	5,839.0	—	2,951.9	5,216.6	—	2.3	—	199.1	14,208.9
Toyota	6,691.4	49.5	19,481.1	25,289.2	130.7	1,549.5	—	2,558.6	57,759.0
Nissan	8,241.7	151.2	15,140.4	12,946.4	—	700.3	7,573.9	3,866.9	47,520.8
Volkswagen	11,348.6	23.2	17,203.5	7,310.8	—	536.3	—	2,983.8	39,408.2
Honda	9,315.3	256.4	11,414.9	352.1	—	4.4	111.2	797.4	22,261.7

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* Eight media totals are compiled from factory expenditures recorded in 1981
Leading National Advertisers (magazines, supps, network tv, spot tv, network radio, outdoor), Radio Expenditure Reports (spot radio) and Media Records (newspapers).

are taking note by placing less emphasis on miles per gallon.

Notes Robert J. Gillooly, national advertising manager for Ford Division, "I think that within certain segments the performance or excitement idea is coming back. A number of people who have been experimenting with small cars now have some different ideas. Some are looking for a bit more room. Others, a bit more excitement and style."

A slight move toward larger cars is also afoot. But manufacturers are well aware that consumer preferences are as changeable as the wind. And another gas shortage could bring back the surge for small cars. In the meantime, advertisers are baiting whatever segment of the market seems to be biting.

To lure convertible drivers back to the showroom, Chrysler is leading the way with a lineup of LeBaron and Dodge 400 models. Ford will follow suit with a Mustang convertible and General Motors will be introducing soft top versions of the Buick Riviera and Chevrolet Cavalier.

There's also a return to the muscle car era of the 1960s. The Ford Motor Company, for example, is putting a high-performance V-8 engine in its Mustang and Capri.

The light truck market is yet another area for potential growth. In an interesting juxtapositon of roles, the Big Three are entering a market originally created by Japanese manufacturers.

The new trucks are the Chevrolet S-10, the Ford Ranger and the Dodge Rampage.

Will the added variety in new car introductions and the sweetner of extended warranty programs help to stimulate a softening market?

Some analysts warily predict that sales will rise to 9.5 million in 1982, compared to 8.5 million last year. But David Healy is convinced the car industry won't really start turning around until the rest of the economy does.

Until that time, Lou Schultz, senior vp at Campbell Ewald, Chevrolet's agency, feels that "advertising should continue to be friendly and upbeat. Even though people might not be buying now, we don't want them to forget about us."

All advertising expenditures cited in this report reflect 1981 *factory* totals recorded in Leading National Advertisers (LNA), Radio Expenditure Report (RER) and Media Records.

General Motors

GM leads the way this spring with the largest number of introductions in its A and F car lineups.

Joseph Cronin, advertising manager for Dodge.

The A cars are the Chevrolet Celebrity, Pontiac 6000, Oldsmobile Cutlass Ciera and Buick Century. The F's are the Chevrolet Camaro and Pontiac Firebird.

To encourage reluctant buyers and victims of sticker shock syndrome, the General Motors Acceptance Corporation has been offering a 12.8% "Let the good times roll" low interest rate program for car loans.

According to one source, GMAC will spend $10 million to advertise its interest rate campaign with up to 120 spots on network tv as well as spots on network radio. A print campaign will run in newsweeklies and in 312 newspapers nationwide.

To play up the safety of GM cars, the company has also been advertising the results of a recent Insurance Institute highway safety study. Ads headlined "GM Cars Rated Best" appear in newspapers and magazines.

Chevrolet

Of all the GM divisions, Chevrolet had the heaviest advertising expenditures, $88.7 million (8-media total), in 1981.

According to Lou Schultz, of Campbell Ewald, Chevrolet has been placing heavy advertising emphasis on its new Camaro, Celebrity and S-10 truck entries.

Advertising for the new 1982 Camaro is targeted at people with incomes of $25,000 plus in the 18-34 age group, heavily skewed to the younger end of the market. Notes Schultz: "Fifty percent of Camaro's buyers have been under 25."

To reach Camaro's target, Chevrolet is advertising on network tv during primetime and sports programing. Commercials also run on spot tv in 30 markets and on cable networks, including ESPN, USA, Hearst/ABC and MTV.

Chevrolet also advertises heavily on spot radio in the top 50 markets. For added reach to the youth market, the company sponsors two concert series on RKO titled the "The Hot Ones" and "Captured Live."

The tagline for Camaro, "Only it's shadow comes close," focuses on styling and performance.

Print ads appear in major newsweeklies. To reach women, a growing segment of the sports car market, ads are placed in *Cosmopolitan, Essence, Savvy* and *Working Woman.*

The Celebrity, Chevrolet's other new car entry, is an intermediate coupe. The Celebrity target is 25-44, family oriented, with incomes of $30,000 plus.

Commercials for the Celebrity appear on network tv during primetime and sports programing as well as on spot tv in the top 50 markets.

Full page print ads appear in newsweeklies.

The S-10 truck follows a similar network tv schedule and is also advertised on spot tv in over 30 markets.

According to Leading National Advertisers, in 1981 Chevrolet had significant expenditures in network tv ($39.7 million) followed by $17 million in magazines and $10.8 million in newspapers (Media Records). Next to Chrysler Corporate Division, Chevrolet had the second largest expenditure in spot radio, $15.4 million (RER).

Pontiac

After Chevrolet, Pontiac is the second biggest advertiser in GM's lineup. According to LNA, Pontiac spent $36 million (eight-media total) in 1981.

Although all the Pontiac models are advertised year round, the 1982 Firebird and the 6000, a new A car entry, have received the heaviest ad support of late.

In describing the two cars, Ted Miller, assistant advertising manager for Pontiac, says, "The 6000 is considered a family car. The front wheel drive gives it a feeling of roominess. And the notable absence of chrome, combined with a high rear, black tires and black highlights on the molding create a sense of international style."

On the other hand, the Firebird is anything but a family car. It has a streamlined look with a low front and concealed headlamps. Says Miller, "It's the most aerodynamically efficient production car GM has ever tested.

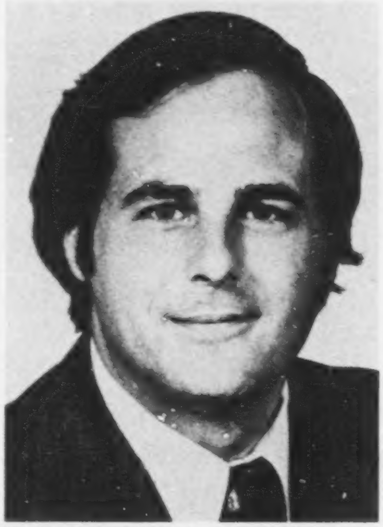
Historically, the market for the Firebird has been geared toward males. "It used to have a real macho look," says Miller. But to appeal to women as well as men, instead of machismo, Pontiac is playing up the car's "exciting style."

The target market for both the Firebird and 6000 are adults 21-44 with average incomes of $20,000 plus. Both cars are advertised on network tv during prime, scatter and news programing. Commercials also air on spot tv in the top 50 markets during fringe time.

The print schedule for the Firebird and 6000 consists of single and full page spreads in newsweeklies and business magazines such as *Time, U.S. News & World Report, Sports Illustrated, People, Fortune, Business Week* and *Forbes*. To reach car enthusiasts, the Firebird is advertised in buff books such as *Motor Trend, Car and Driver, Road & Track* and *Hot Rod magazine*.

> "To appeal to women as well as men, instead of machismo, Pontiac is playing up the Firebird's exciting style."

The head-on competitors to the Firebird are Camaro, Mazda and Datsun 280Z. However, the competition for the 6000 is a much broader category — all mid-size entries from low-to high-priced family cars.



Michael V. Howe, advertising manager for Chrysler-Plymouth

According to Leading National Advertisers, the majority of Pontiac's 1981 budget was placed in network tv ($24.7 million) followed by equal amounts ($4.8 million) in magazines and spot tv.

Buick

In an attempt to change its reputation from large to small, Buick introduced the Skyhawk, a front wheel drive compact and subcompact lineup, early this year. The Skyhawk is targeted at people aged 25-54, incomes of $30,000 with a heavy emphasis on young professionals.

Buick's other 1982 entry receiving heavy advertising support is the Century, a mid-sized A car with front wheel drive.

According to Harry Grusche, senior vice president, management supervisor at McCann-Erickson, Buick's heaviest ad expenditures are in network tv ($16 million, according to LNA) followed by magazines ($6 million).

To reach women, estimated to be a large percentage of Buick owners and principal drivers, ads are placed in an extensive list of magazines. These include *Better Homes & Gardens, Bon Appetit, Gourmet, Self, Southern Living, Sunset, Town & Country, Vogue* and *Working Women*.

Oldsmobile

Oldsmobile's 1982 lineup consists of a mixed bag of shapes and sizes. Full sized versions of the 98, 88, Toronado and Cutlass Supreme were introduced in September, and a remodeled Omega was brought out in November.

The two most recent entries, however, are the Cutlass Ciera, a scaled down front wheel drive version of the Cutlass Supreme and the Firenza, a sporty subcompact J car.

The target audience for the Firenza is the 25-44 age group with incomes of $25,000 plus. The Ciera appeals to a slightly older crowd, 30-54, in the same income bracket.

Oldsmobile's 1981 advertising expenditures were heavily in network tv ($12 million) followed by $7.8 million in magazines $2.8 million in spot tv. In spot radio, $3.2 million was spent, according to RER.

According to John Hamill, advertising director, Oldsmobile's network tv schedule is 70% in primetime and 30% in news programing. The print campaign for Firenza includes *Life, Time, People, Sports Illustrated, U.S. News & World Report, The New Yorker, US*, and *Business Week*.

To convey Oldsmobile's quality image to the small car buyer, the Firenza tagline reads, "It's what a small car can be when its an Oldsmobile."

Cadillac

"To reach targeted audiences for both the Cimarron and the Seville, Cadillac uses a narrowly defined rifle approach to its media selection as opposed to a broad-based shotgun." So says Frank Cadicamo, assistant director of merchandising, advertising and sales promotion for Cadillac.

Cadicamo explains: "Cadillac's print campaign for specific car lines is closely matched to selected magazine audiences. The Cimarron, for example, marketed to people in their late 30's to early 40's with incomes of $35,000 plus, is advertised in *Architectural Digest* as well as buff books such as *Road & Track*, and *Car and Driver*.

The Seville, targeted to an older crowd (late 40's to early 50's with incomes of $75,000 plus) is advertised in *Palm Spring Life* and *Avenue Magazine*.

Cadillac also advertises in newspapers in the top 15 markets as well as on network tv news and selected sporting events such as the Master's Golf Tournament. Cadillac spent a total of $16.4 million in advertising, with a balance of $6.2 million in magazines, $6 million in network tv and $1.6 million in spot tv, according to LNA, RER and Media Records.

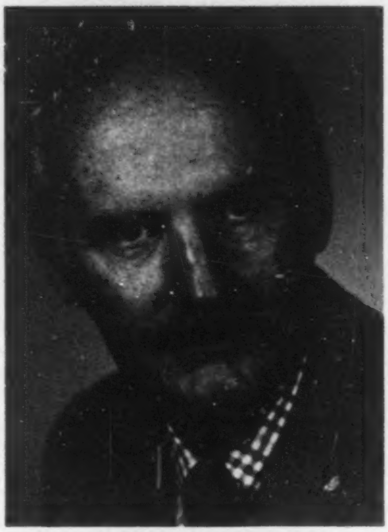
Ford

Although the Ford Motor Company recently switched its corporate slogan — "At Ford quality is job one" — over to its Lincoln-Mercury division, the second largest U.S. automaker has not given up on its commitment to quality.

The company's new campaign, taglined, "There's a Ford in your future," is also designed to emphasize Ford's push for quality. Introduced in mid-February, this campaign runs in newspapers, magazines and on spot tv in selected markets.

To further promote Ford's quality message and encourage reluctant buyers to reach for their checkbooks, the company is offering a special program that combines warranty and rebate incentives. A two-year, 24,000 mile free maintenance warranty is offered on most of Ford's non-luxury models, along with a 5% cash rebate. The luxury cars have a three-year, 36,000 mile warranty along with a 5% cash rebate.

Ford corporate division spent a combined eight-media total of $27.2 million in 1981, with heavy expenditures of $15.1 million in network tv, according to LNA.



Robert J. Gillooly, National Advertising Manager, Ford

According to Robert J. Gillooly, Ford Division's National Advertising Mgr., the company's current advertising campaign focuses on the Ford Care warranty protection and 5% rebate program.

The Ford campaign is advertised on network tv during primetime, sports and magazine format progams. It also runs on radio and in magazines, but tv receives the heaviest emphasis.

Ford's new product offering include high-performance "muscle car" versions of the Mustang and Capri with V-8 engines. Also new is the Ranger, a small truck designed to compete with the imports, and the Chevrolet S-10 and the Dodge Rampage.

According to Leading National Advertisers, Ford's 1981 expenditures were heavily concentrated in network tv ($52 million), magazines ($25.7 million) and spot tv ($9.7 million).

Lincoln-Mercury

According to John B. Vanderzee, Lincoln-Mercury advertising manager, most of L-M's ad dollars are being spent to promote its warranty and cash bonus programs as opposed to specific product lines.

This campaign will run through early June on network tv during primetime and sports programing, on network radio, and in newspapers in the top 50 markets.

In the third quarter, Lincoln-Mercury will go back to traditional product campaigns for the Lynx, Continental, Capri and Marquis, and the media emphasis will switch from newspapers back to monthly magazines.

Leading National Advertisers reports L-M's media expenditures for 1981 were concentrated in network tv ($21.9 million), magazines ($14.5 million) and spot tv ($7.9 million).

Chrysler

The company that seemed destined to die three years ago is beginning to breathe new life into its system. A combination of ingredients, including government aid, fancy financial footwork, improved productivity, rebates and successful product lines have helped Chrysler cut its break-even point in half during the past 18 months. Ward's Automotive Report singles out Chrysler as the only domestic automaker to post an increase in sales in 1981. The company's market share rose to 11.8%, up from 10% in 1980.

To ensure that Chrysler stays on the right track, chairman Lee Iacocca is back on television screens across the country advertising Chrysler's new five year/50,000 mile warranty on the engine and drive train of all front wheel drive cars and trucks, including free scheduled maintenance. Body parts are also insured against rust.

According to Joseph Hickey, manager, Chrysler corporate advertising, "The 5/50 program was introduced in early April with a heavy blitz campaign on network tv, spot tv in ten markets and spot radio in 35 markets during drive time.

Chrysler's print campaign runs in newspapers and major newsweeklies such as *Time, U.S. News & World Report, Sports Illustrated, People* and other upscale publications.

Hickey says the 5/50 campaign will be integrated with new product advertising in May and June, when corporate advertising will gradually taper off.

Eight-media advertising totals indicate that Chrysler spent $59.9 million on corporate advertising in 1981. Significant spending in spot radio ($23.5 million) to advertise the Chrysler rebate program reflects the heaviest expenditure in this category of any automobile advertiser. Media Records reports $6.5 million in newspaper expenditures for the Chrysler corporate division.

Chrysler-Plymouth

Along with the 5/50 warranty protection plan, the Chrysler-Plymouth division will be heavily advertising its new car entries in May and June.

According to Michael D. Howe, advertising manager, "For the past few years Chrysler made a lot of changes that people couldn't really see, such as in fuel efficiency and overall technology. Now the trend is to play up things that are more apparent such as excitement and fun to drive.

Along these lines, says Howe, "The LeBaron convertible was used as a teaser to get people back into the showroom and get them interested in the whole LeBaron lineup."

Chrysler-Plymouth will also be introducing its first front wheel drive station wagon, the Town and Country, targeted to an upscale suburban market. Another new entry is the Plymouth Turismo, a sports car that competes with the Mustang and Firebird.

This paper towel contains enough fuel to run a Rabbit one half mile.
Nothing else is a Volkswagen.

Seventy percent of VW's target audience have college degrees.

According to LNA, RER and Media Records, the Chrysler-Plymouth Division spent $48.1 million (eight-media total) with heavy expenditures in network tv ($24.7 million), newspapers ($7 million) and spot tv ($6.1 million).

Dodge

Dodge's new product entries for 1982 are the Dodge 400 convertible, the Charger 2.2, the Rampage truck and dressed up versions of the Omni and Aries.

To keep pace with the highly volatile car market, the Dodge advertising department is constantly revising its strategy and media plans. According to Dodge advertising manager Joseph Cronin, the weight of tv to magazines changes depending on the type of program Dodge is offering. Television advertising for the 5/50 program includes network tv and spot buys during primetime. Commercials also run on ESPN and WTBS, and on spot radio.

Dodge also places heavy advertising emphasis in print. Says Cronin: "We

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THE 30 SECOND COMMERCIAL VS. THE 30 DAY COMMERCIAL.

By the time you read this ad most 30 second TV commercials are a fleeting memory. While *Outdoor Advertising* works for you all day, every day for 30 days. For about the cost of two prime time network spots per week running over four weeks, *Outdoor Advertising* will reach 73% of adults with a 7.2 frequency in the top 100 Metro markets.* So to find out how far a little of your TV budget can go in your key markets contact the Institute of Outdoor Advertising at (212) 986-5920.

*Source: Media Cost Guide, 4th Qtr., 1981

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3303 Harbor Blvd.,
Suite K-4
Costa Mesa, CA 92626

MIDWEST
(312) 966-0160
5225 Old Orchard
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Skokie, IL 60076

NORTHEAST
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Hajar Associates
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Needham Hts, MA 02194

SOUTHEAST
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Hajar Associates
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target very closely by matching magazine audiences with specific car profiles." For example, the Omni, which Dodge considers a good economy buy with excellent fuel efficiency, is advertised in *Money* magazine. And to reach highly educated upscale readers, the Dodge 400 series is advertised in *Science Digest*.

Since the 5/50 program has been receiving special emphasis, Dodge advertises this package in newsweeklies as an efficient way to get the message to consumers as quickly as possible.

In aiming to use magazines with short closing dates, Dodge has almost entirely dropped monthlies from its schedule for the time being.

According to LNA, RER and Media Records, Dodge spent $27.7 million in 1981 (eight-media total) with $8.8 million in network tv, $9.6 million in magazines and $4.4 million in newspapers.

American Motors

With shares totaling 46.5%, Renault Motors continues to be AMC's largest stockholder. However, despite Renault's significant holdings, company sources insist that the French automaker has no intention of purchasing American Motors.

Both companies claim to have a friendly partnership that combines the best of both worlds — Renault's technology and American's manufacturing and distribution facilities.

AMC/Renault's most rercent car introduction was the Renault Fuego, a front wheel drive sports car that is touted as a less expensive competitor to the Porsche S84 and the Datsun 280Z.

According to Gene Richmond, manager of marketing development for AMC, the target audience for the Fuego is males 25-44 with incomes of $25,000 plus.

Fuego's media schedue includes network and spot tv in the top 25 markets. The print schedule includes *Newsweek, Time, Sports Illustrated, Scientific American, Science 82, Psychology Today, Money, Architectural Digest, Popular Photography, Omni, Car and Driver* and *Road & Track*.

"For the past few years Chrysler made a lot of changes that people couldn't really see, such as fuel efficiency . . ."

Advertisements for the Camaro are heavily skewed to youth.

According to Richmond, advertising expenditures were up 8% to 9% this year over last. American Motors spent $27.3 million in eight-media advertising while Renault spent $14.2 million (LNA, RER, Media Records).

Imports

Despite Detroit's highest hopes, the voluntary import quotas placed on Japanese cars last year seemed to have little effect.

Imports are grabbing 27.25% of the domestic car market, compared with 18.26% five years ago. Although a both imports and domestic automobiles dropped 1981, the decline for Japanese manufacturers was significantly less.

To further expand their 24% share of the U.S. market, Japanese manufacturers are venturing into the more upscale sport and luxury car markets. Some of the new Japanese introductions come fully equiped with powerful engines, the latest electronic technology and highly stylized bodies.

Nissan's streamlined 280Z does much to extend the company's "econobox" reputation. And Toyota's Cressida is predicted to cut heavily into both American and Euopean luxury market sales.

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THE NEWS IS NUMBER ONE IN AUTOMOTIVE ADVERTISING

Buffalo ranks second in the Northeast in per capita automotive sales.* And in Buffalo, The News is the clear leader in automotive advertising, with a 64% daily share of field.**

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Hugh G. Monaghan-General Advertising Manager
Represented nationally by Story & Kelly-Smith,
American Publishers' Representatives, Ltd., and
The Leonard Co.

*Source: Sales and Marketing Management, Survey of Buying Power, 1981. **Source: Media Records, Dec. 1981. ***Source: Three Sigma '80. ****Source: ABC FasFax for the six-month periods ending March 31, 1982 and March 31, 1981.

Although Mazda and Subaru were the only two Japanese manufacturers to report slight gains in sales, low eight-media advertising totals did not warrant their coverage in this report.

Toyota

The number one seller of Japanese cars holds 25% of the import market.

According to Warren E. Christell, vp marketing, Toyota's heaviest advertising support focuses on the Supra and Celica. Both models are advertised on network and spot during primetime programing as well as in radio and print.

The print campaign for both cars is in the major newsweeklies, which appeal to broad audiences. They're also in general consumer and buff books. Advertising for the Supra, voted by *Motor Trend Magazine* as Import Car of the Year, features this car as Toyota's flagship image leader.

The Tercel and Corolla,considered Toyota's bread and butter economy cars, also have a strong advertising presence in all the major media.

Toyota's "Oh what a feeling!" theme, for the past two years, continues to be the company's advertising umbrella for both corporate and product campaigns.

Toyota spent $57.8 million (eight-media totals) in 1981 with major emphasis in spot tv ($25.3 million) and network tv ($19.5 million), according to LNA. According to Media Records, factory dollars in newspapers were $2.6 million.

Nissan

Nissan Motor Corporation (Datsun) has high hopes for its most recent entry in the small car market, the Sentra. Heralded for its fuel efficiency and low cost, the front wheel drive Sentra is said to get 43 miles per gallon in city driving and 58 miles per gallon on highways.

Nissan is advertising the Sentra in a six month introductory blitz on network and spot tv during primetime and special programing. "You need this car!" is the tagline in 30- and 60-second spots, all of which end with the "We are driven!" theme.

The ad campaign for Sentra also runs on spot radio in selected key markets and in print and outdoor. Print ads appear in newsweeklies and special interest publications such as *Psychology Today, People* and *Metropolitan Home,* and in a variety of sports publications and buff books.

To reach women, Nissan places ads in *Ms., Savvy* and *Working Woman.*

The Nissan Sentra, which replaces the Datsun B210, reflects Nissan's ongoing effort to phase out the Datsun name on all its cars by 1984.

Nissan spent $47.5 million (eight-media total) on advertising in 1981. Heaviest expenditures were in network tv ($15.1 million) and spot tv ($12 million), according to LNA. Media Records reports $3.7 million factory dollars in newspapers. RER reports $7.6 million in spot radio. This reflects the largest spot radio expenditure of the top four import advertisers.

Honda

In an attempt to discourage the growing tide of resentment against Japanese entrepreneurs, Honda is spreading the word that it is not just another import ready to pull the plug

In Syracuse, buy two champagne drinkers, get one free.

#40
Largest
Champagne Market

Champagne is one of the fastest growing wine categories in America. And in Syracuse it's moving especially fast — because Syracuse buys 7½ cases of champagne and sparkling wine for every 100 people, while the average market buys 5.* That means your ad reaches so much more spending power in Syracuse it's like getting one champagne drinker free for every two you pay for.

What's the best way to reach this profitable audience? Only The Syracuse Newspapers can promise you the kind of coverage you need. The Syracuse T.V. audience is fragmented by one of the highest cable penetrations of any major market. And magazines can't come close to the coverage we offer. What's more, we have two new studies that prove it. Just call Dave Kaczorowski at 315-470-2085 for more information about opportunities in the Syracuse Market.

*Source 1981 Wine Marketing Handbook

Syracuse. More than you bargain for.

The Syracuse Newspapers

Herald-Journal
Herald American
The Post-Standard

Represented Nationally by Newhouse Newspapers

Ford's high performance Mustang is touted as the muscle car of the 1980s in newsweeklies and women's books.

on the American economy. A recent corporate campaign publicizing the news that Honda will be building its first U.S. plant, employing over 1,500 workers, is being projected in print.

Full page ads appear in *The Wall Street Journal*, *Christian Science Monitor*, New York *Times*, Los Angeles *Times* and the Washington *Post*. The campaign also appears in newspapers in Marysville, Ohio, the area surrounding the projected plant.

Apart from the corporate campaign, 55% of Honda's advertising budget is spent in primetime network tv, which reaches a broad mix of American consumers, with a greater emphasis on females. Other selected programing is NFL Football and CBS Sports, geared to males.

Forty per cent of Honda's ad budget goes into print. Ads appear in newsweeklies, monthlies and buff books.

Although company sources claim that Honda's total ad expenditures are in the $25 million range, LNA, RER and Media Records report eight-media totals at $22.3 million, with significant expenditures in network tv ($11.4 million) and magazines ($9.3 million).

Volkswagen

The higher a person's level of education, the more likely he or she is to purchase a Volkswagen. So says Robert Rees, executive vice president at Doyle Dane Bernbach, the German automaker's U.S. agency.

According to VW statistics, 70% of the car manufacturer's target audience is comprised of college graduates; 30% have post-graduate degrees.

The car receiving Volkswagen's heaviest advertising support is the Rabbit. Having recently reduced the price of this car from $6,615 to $5,990, Volkswagen is spreading the word in network and spot television, and in print.

VW ads appear in such newsweeklies as *Time*, *Newsweek*, *U.S. News & World Report* and *Sports Illustrated*. The company also places full page ads in a long list of newspapers nationwide.

According to Rees, VW's media mix is 60% to 70% tv and 30% to 35% print, but these percentages will change as the advertising campaign goes more heavily into print, especially newspapers.

Volkswagen spent $39.4 million (eight-media total) in 1981 with the heaviest expenditures in network tv ($17.2 million) and magazines ($11.3 million) accordinng to LNA. Media Records lists $3 million factory dollars in newspapers.

Madeleine Dreyfack

Discover Columbus . . .

an area of growth, innovation and progress

While most areas in the Northeast quadrant of the United States are losing population to the Sun Belt, Columbus, Ohio is growing.* What's more, Columbus' fortunes do not rise and fall with a single particular industry. Our steady, healthy economy reflects a balanced blend of commerce and industry, education, research and agribusiness.

Some of America's top companies like American Electric Power, parent company of the nation's largest family of electric utilities; Nationwide Corporation; Borden, Inc.; and Ashland Chemical are headquartered in Columbus. And new firms are moving in at a brisk pace.

Columbus is strong in many areas that may surprise you. But the real excitement is that The Columbus Dispatch and Citizen-Journal cover this energetic, developing market with 61% coverage of all adults each weekday.**

Sources: *Survey of Buying Power
**Belden CMS, 1981

The Columbus Dispatch
Evening and Sunday
Columbus Citizen-Journal
Morning

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

ADVOCATE
Clapes budget at $95.1 million, up 9.6%
WANT AD WEEK

1981 brand leaders in newspapers

For newspapers, 1981 was another year of growth. The recession year spawned another jump in use of coupon advertising, including a big increase in co-op couponers. Brands that led the list in expenditures were Ford, Eastern Airlines, Merit cigarettes, and Valassis among the couponers — and those were the categories in which advertisers invested the most in national newspaper space. New giant newspaper advertiser was Barclay cigarettes. Grand total for 1981 was $2,556,250,000 — up 17%.

1981 brand leaders in newspapers

National newspaper advertising dollar volume rose another 17% in 1981 — following a year in which volume was up 13%. And it was up 17% the year before that. Volume continues to rise at a rate faster than inflation in the cost of newspaper space. So this represents a continuous increase in not only expenditure but use of newspaper units by national advertisers.

The total figure for 1981, as measured by Media Records, Inc., again ran well past the $2 billion mark — hitting $2,556,250,000 in 1981. In 1979, the Media Records estimate was $1,950,374,000 and in 1980 it was $2,184,126,000.

The leading categories continued to be automotive, tobacco, transportation, foods and publishing.

The data that follow are published exclusively by *Marketing & Media Decisions* under an arrangement with Media Records. What we show, however, is just the tip of the iceberg — activity among the leaders and the summaries of expenditures by classifications and by the leading 100 corporate spenders in national newspaper space.

The full report is available from Media Records, 370 Seventh Ave., New York, N.Y. 10017 for $875. Product classification reports range from a high of $255 for a complete class breakout (foods, for example) to $90 for a food sub-class.

The report is presented in four parts in one volume: classification totals; 100 leaders with corporate totals; 100 leading companies, with brand breakouts; and individual brand breakouts within classifications.

Cigarettes

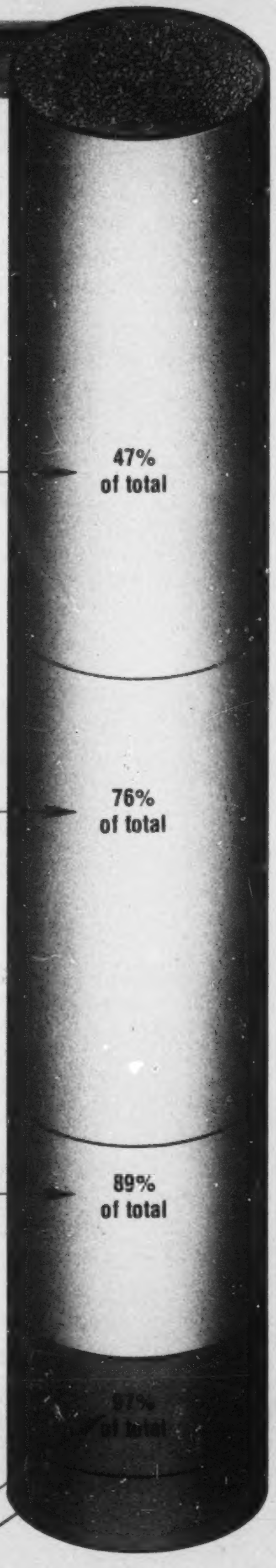
Individual cigarette brands were again the largest brand spenders in national newspaper space.

The chart at right shows the extent to which the marketplace is dominated by the advertising of a few brands. Five spend 47% of the dollars in newspapers. Ten spend over three-quarters of the ad dollars.

Merit moved to the top of the pile this year with a $38.1 million investment, followed by Barclay, a new entry, that papered its introduction with

Cigarette brand expenditures in newspapers — 1981

1.	Merit	$ 38,133,000
2.	Barclay	34,917,000
3.	Winston	29,171,000
4.	Vantage	28,514,000
5.	Kent	27,369,000
	Top-5	$158,104,000
6.	More	$ 24,153,000
7.	Salem	22,311,000
8.	Now	18,025,000
9.	Marlboro	16,731,000
10.	Camel	14,566,000
	Top-10	$253,890,000
11.	Cambridge	$ 13,382,000
12.	Carlton	10,321,000
13.	Benson & Hedges	7,032,000
14.	Golden Light	6,671,000
15.	Virginia Slims	6,464,000
	Top-15	$297,760,000
16.	Newport	$ 6,070,000
17.	True	5,409,000
18.	Kool	4,821,000
19.	Triumph	4,340,000
20.	Raleigh	3,669,000
	Top-20	$322,069,000
	Other	11,239,000
	TOTAL TABBED	$333,308,000



$34.9 million. In third place was Winston, with almost $29.2 million in Media Records measured newspapers.

Perhaps the most interesting cigarette advertiser, however, was Camel — the comeback brand. Camel plunked $14,566,000 in newspapers in 1981. R. J. Reynolds gave its old brand the new product treatment, rolling it out with a variety of lights, longs, 100's and combinations of all of these.

Passenger cars

The embattled automotive advertisers stayed with newspapers as a principal medium in 1981 — some more than others. The chart on this page shows total dollars — and how that breaks down into contributions in "factory" dollars, dealer association expenditures, and amounts antied-up by the dealers. There are some interesting differences.

Of the big three, Chrysler was most outgoing in expenditures of its own dollars. Then came Chevrolet; then Ford. Half of what was spent to advertise Ford cars in newspapers in 1981 was put up by the dealers. Chevrolet dealers put up almost half. Chrysler dealers only put up 30%.

Compared to last year, Ford jumped ahead of Chevrolet in total dollars. Chrysler continued to be a poor third. Other Detroiters who picked up half or more of the newspaper auto advertising were Mercury, Plymouth and Lincoln. The dealers stood the bill in newspapers to a greater extent in hopes of moving a glut of new Cadillacs, Dodges, Olds, Pontiacs and Buicks.

The most advertised import in newspapers was Toyota at $11.2 million — with 61% of that contributed by local dealers. Datsun was backed with $8.8 million in newspapers; Peugeot by $7.6 million; Triumph by almost $7 million. In Peugeot's case, only 7% came from local dealers.

Volkswagen dropped to 13th place as an automotive newspaper advertiser — at $5.8 million, over half factory dollars supporting its new manufacturing facilities in the U.S. In contrast, Honda — still suffering from import restrictions while its first U.S. manufacturing facility was being developed — held newspaper ad dollars in 1981 to $4.8 million, 76% of that in local dealer expenditures.

How auto dealer strategy affects newspaper spending

	Newspaper dollars	% factory	% dealer assoc.	% local	% pick-up & camper
1. **Ford**	$ 28,820,000	27%	20%	50%	3%
2. **Chevrolet**	27,515,000	40	5	48	7
3. **Chrysler**	16,325,000	66	4	30	—
4. **Cadillac**	13,522,000	10	3	87	—
5. **Dodge**	11,231,000	39	6	44	11
6. **Toyota**	11,227,000	23	4	61	12
7. **Oldsmobile**	9,785,000	16	23	61	—
8. **Datsun**	8,822,000	41	6	37	16
9. **Peugot**	7,573,000	92	1	7	—
10. **Triumph**	6,973,000	2	—	98	—
TOP 10	**$141,793,000**				
11. **Pontiac**	5,950,000	12	6	82	—
12. **Buick**	5,861,000	16	11	73	—
13. **Volkswagen**	5,811,000	51	8	26	15
14. **Honda**	4,792,000	16	8	76	—
15. **Mercury**	4,619,000	50	19	31	—
16. **Lincoln**	4,077,000	54	15	31	—
17. **Volvo**	3,472,000	65	5	30	—
18. **Plymouth**	3,442,000	77	7	9	7
19. **Fiat**	2,295,000	75	2	23	—
20. **Mercedes**	2,081,000	25	—	75	—
TOP 20	**$184,193,000**				
21. **Saab**	1,862,000	77	6	17	—
22. **Jaguar**	1,789,000	61	15	24	—
23. **Subaru**	1,090,000	25	14	61	—
24. **Renault**	763,000	26	31	43	—
25. **Porsche**	640,000	57	5	38	—
26. **Rolls Royce**	267,000	70	—	30	—
TOP 26	**$190,604,000**				

Source: Media Records, 1981.

Note: Ford & Chevrolet spend 30% of total

Airlines

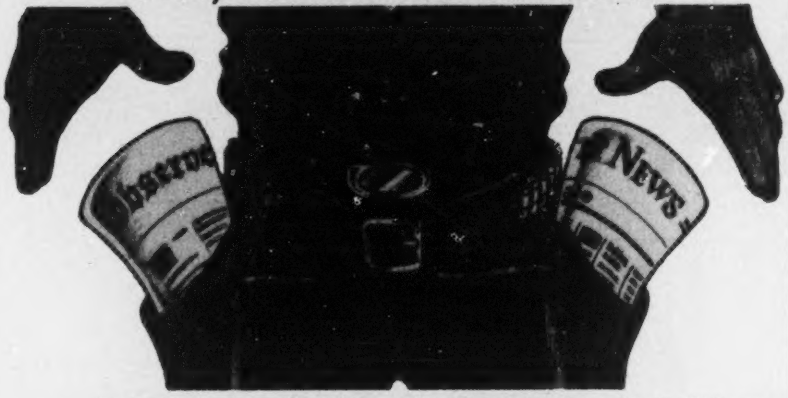
The battle for supremacy among the airlines kept newspaper expenditures high. The same three airlines were the big investors in newspapers in 1981, as in 1980. Their combined investments in newspapers rose from $57 million to $64.5 million in 1981 in behalf of both their domestic and overseas services.

Eastern replaced Delta as the biggest spender, but these two, along with American, continued to be the big three in newspapers. Of this three-leader total by far the largest percentage was in behalf of domestic flights.

Food

Advertisers of several categories of food products continued to rely heavily on newspaper advertising. The categories highlighted in Media Records data included: bakery goods (spending over a million in that category were Nabisco and Pepperidge Farm); food beverages (the millionaire coffee advertiser in newspapers was Maxwell House in 1981); cereals (Kellogg spent $2,457,000 — much of it behind the new Nutri Grain line); condiments (Kraft and Seven Seas with over a million there); confectionary/snacks (former advertising hold-out Hershey with $1,233,000); dairy products (Kraft with over $1 million); miscellaneous foods (Kraft again with over $1 million); fruits/vegetables (Del Monte was the millionaire newspaper investor); meats/fish/poultry (Hormel topped the list at $3,328,000); prepared dishes (Chef-boy-ar-dee is the big spender at $554,000 in news-

WHATEVER AUDIENCE YOU'RE SHOOTING FOR, GO WITH THE BIG GUNS



The simple truth of the matter is this: No matter what audience, what demographics, what market group you're trying to reach in the Carolinas, the big guns in this active marketplace are The Charlotte Observer and The Charlotte News. No other media come close to reaching the over-$15,000 and over-$20,000 income groups as effectively and in as much depth as these two newspapers. Or as economically.

And with area unemployment that's slightly more than half the national average, it's a stable, consistent market as well.

For all the facts, figures, demographics and information about the Charlotte metro, PMA, SMSA and ADI market areas, contact Gene Williams, Vice President and Advertising Director.

He'll show you how to hire the biggest guns in the territory without blowing your bankroll.

THE CHARLOTTE NEWS
The Charlotte Observer
Post Office Box 32188, Charlotte, NC 28232 704/379-6900

LIQUOR
Advertising Now Accepted!

Include this market in your Fall and Holiday schedules! Coverage is concentrated in Raleigh and Wake County but extends to the North Carolina coast. For more information contact the nearest Branham Newspaper Sales office or call the News and Observer / Times direct: (919) 829-4621.

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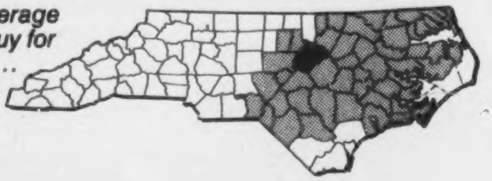


N&O
RALEIGH Times
The News and Observer
The Raleigh Times
P.O. Box 191, Raleigh, N.C. 27602

papers); shortenings/oils/margarine (top spender Parkay in 1981 at $442,000).

Biggest spender overall was Kraft, with an investment in newspapers of $4,574,000 in three categories. Next biggest newspaper user was Hormel at $3,328,000.

Radio/tv stations, magazines

The media continued to be big users of newspapers in the pursuit of viewers, listeners and readers. Home Box office moved up as a newspaper user, but it did not displace NBC, ABC and CBS as the top newspaper advertisers in 1981. NBC stayed at the top of the list. CBS alone upped dollars.

Among the magazines, *Time, Sports Illustrated* and *Newsweek* were top newspapers spenders for the second year in a row — in the same order — all three with bigger budgets in 1981. The biggest increase was racked up by *Newsweek,* although it continued in third place as a newspaper spender.

Radio/tv sets, etc.

Advertisers of tv and radio sets that were ahead of the pack in newspapers were the same trio as in 1980: RCA, Zenith and Sony. Zenith moved up from third to second place, but dollar investments of each of the big three were not that different in 1981 — reflected mostly increases to meet inflation in newspaper pricing.

Similar increases for the top two book advertisers were recorded: Time-Life and Book-of-the-Month, but Simon & Schuster tripled its newspaper budget in 1981 to displace Doubleday as number three.

Mail order and couponers

1981 was a big year for mail order advertisers. Two of the long-time leaders in use of newspapers to sell by mail increased budgets considerably: Franklin Mint went to over $9 million in newspaper; Mail Box U.S.A. went to over $4.6 million. New to the top three list was International Monetary Mint, with a $2.5 million budget.

The couponers rose to new highs in newspaper dollars, with the same three spending the most. Valassis almost doubled its dollars from $13.5 million to $23.4 million. Blair Inserts jumped from $11.7 million to $21.7 million. Sunday Comics Corp. jumped from $10.7 million to $12.5 million.

Top brand spenders in national newspaper space

- **Leading classifications in national newspaper spending**
- **The three brands spending the most in these classifications**
- **Dollar investments for 1981, 1980, 1979, 1978, 1977**

The data that follow have been extracted from Media Records 1981, four-part National Newspaper Advertising Investments report. Part 1 shows national advertising investments in Media Records product classifications. Part 2 ranks the top 100 National newspaper advertisers by corporate name. Part 3 breaks down these numbers by brands or services of the top 100 corporations, plus the newspaper expenditure for each product or service. Part 4 shows brands and products arranged alphabetically in each of the classifications presented in Part 1.

The figures for total advertising by classification have been projected to national totals. Not so with the numbers for individual brands. The latter are based on the Media Records sample of observed usage of newspapers, projected to the leading 125 markets that account for an estimated 82% of the total U.S. national newspaper advertising volume.

From Part 4 (classification by brand) we have determined the top three brands and in the following tabulation show their investments for the past five years.

	1981	1980	1979	1978	1977
Airlines					
Eastern	$23,070,000	$19,814,000	$12,416,000	$11,081,000	$11,404,000
Delta	21,322,000	20,133,000	17,915,000	15,977,000	14,659,000
American	20,133,000	17,158,000	12,696,000	10,204,000	11,829,000
Aluminum/paper products					
Kleenex	1,062,000	574,000	312,000	520,000	385,000
Reynolds	586,000	296,000	205,000	20,000	401,000
Ziploc Bags	535,000	342,000	58,000	158,000	15,000
Amusements					
Paramount	838,000	1,290,000	1,187,000	236,000	36,000
Disney	602,000	360,000	342,000	239,000	399,000
Hershey Park	357,000	196,000	167,000	42,000	38,000
Auto lease/rental					
Hertz	5,053,000	4,550,000	4,366,000	2,365,000	1,073,000
Avis	3,609,000	1,320,000	2,481,000	1,715,000	1,391,000
Potamkin lease	1,294,000	2,373,000	859,000	628,000	967,000
Auto parts/accessories					
Gabriel Shocks	678,000	82,000	225,000	72,000	127,000
Prestone	640,000	838,000	620,000	737,000	482,000
Motorcraft	511,000	343,000	28,000	47,000	—
Automobiles					
Ford	28,820,000	15,199,000	21,771,000	19,579,000	16,788,000
Chevrolet	27,515,000	18,780,000	21,825,000	17,528,000	16,564,000
Chrysler	16,325,000	12,675,000	357,000	6,843,000	7,209,000
Bakery goods					
Nabisco	2,678,000	418,000	432,000	587,000	285,000
Pepperidge Farm	1,288,000	651,000	955,000	915,000	832,000
Sara Lee	593,000	22,000	175,000	413,000	756,000

Estimates prepared by Media Records in 125 markets representing 82% of U.S. total

Newspaper advertising investments by top 100 newspaper users in 1980-1981

Rank	1980 Investments	1981 Investments
1. Reynolds, R. J. Industries, Inc.	$113,099,000	$142,345,000
2. Morris, Philip Inc.	77,624,000	90,603,000
3. General Motors Corp.	52,209,000	65,502,000
4. Loews Corp.	45,624,000	49,591,000
5. British American Tobacco, Ltd.	13,645,000	45,910,000
6. Ford Motor Co.	24,380,000	31,990,000
7. Chrysler Corp.	21,321,000	30,957,000
8. RCA Corporation	25,220,000	29,537,000
9. Eastern Airlines, Inc.	20,161,000	23,670,000
10. Delta Airlines, Inc.	20,410,000	21,653,000
11. American Telephone & Telegraph Co.	19,180,000	21,531,000
12. American Airlines, Inc.	17,478,000	20,068,000
13. United Airlines, Inc.	16,245,000	19,034,000
14. Pan American World Airways, Inc.	13,902,000	17,984,000
15. Time, Inc.	10,910,000	17,825,000
16. Trans World Corp.	17,546,000	17,354,000
17. CBS, Inc.	14,969,000	15,823,000
18. Warner Communications, Inc.	192,000	13,324,000
19. American Brands, Inc.	16,817,000	13,243,000
20. Seagram, Joseph E. & Sons, Inc.	18,043,000	12,758,000
21. Toyota Motor Sales Co., Ltd.	7,023,000	11,229,000
22. American Broadcasting Companies, Inc.	11,900,000	10,270,000
23. General Electric Co.	12,128,000	10,065,000
24. Norton Simon Inc.	5,462,000	9,926,000
25. Dart & Kraft Inc.	6,683,000	9,788,000
26. Braniff International	5,029,000	9,382,000
27. Volkswagen Of America, Inc.	4,949,000	8,983,000
28. Nissan Motor Corp., USA	6,870,000	8,824,000
29. U.S. Government	7,287,000	8,799,000
30. Mobil Oil Corp.	5,923,000	8,534,000
31. Texas Air Corp.	412,000	7,631,000
32. Northwest Orient Airlines	4,297,000	7,621,000
33. Peugeot Motors Of America, Inc.	2,545,000	7,581,000
34. Republic Airlines, Inc.	4,104,000	7,437,000
35. Rapid-American Corp.	6,863,000	6,967,000
36. American Express Co.	2,797,000	6,430,000
37. General Foods Corp.	9,713,000	6,176,000
38. Procter & Gamble Co., The	7,976,000	6,077,000
39. Nabisco Brands, Inc.	573,000	5,865,000
40. Beatrice Foods Co.	2,545,000	5,737,000
41. Sony Corp. Of America	5,758,000	5,728,000
42. Horn & Hardart Co., The	NA	5,666,000
43. Honda Motor Co., Ltd.	3,194,000	5,301,000
44. American Motors Corp.	1,123,000	5,223,000
45. Ransome Airlines	NA	5,180,000
46. Xerox Corp.	3,103,000	5,045,000
47. Gulf & Western Industries, Inc.	3,229,000	5,028,000
48. Nelson Doubleday, Inc.	4,334,000	4,880,000
49. Johnson & Johnson	5,059,000	4,695,000
50. Western Airlines, Inc.	3,309,000	4,595,000
51. Coca-Cola Co., The	$ 5,418,000	$ 4,576,000
52. General Mills, Inc.	3,414,000	4,523,000
53. International Business Machines Corp.	2,843,000	4,407,000
54. Campbell Soup Co.	2,781,000	4,351,000
55. MCA Inc.	7,090,000	4,121,000
56. Cunard Line, Ltd.	3,619,000	3,925,000
57. Norwegian Caribbean Lines	1,754,000	3,908,000
58. Kellogg Co.	4,175,000	3,816,000
59. Carnation Co.	2,198,000	3,812,000
60. Holland America Cruises	4,555,000	3,789,000
61. International Telephone & Telegraph Corp.	4,112,000	3,720,000
62. Colgate-Palmolive Co.	NA	3,712,000
63. Air Florida	1,057,000	3,572,000
64. United Technologies Corp.	790,000	3,554,000
65. Lever Brothers Co.	NA	3,542,000
66. Hormel Geo. A. & Co.	2,309,000	3,525,000
67. Volvo Of America Corp.	4,204,000	3,472,000
68. Princess Cruises, Inc.	2,597,000	3,458,000
69. Hearst Corporation, The	NA	3,445,000
70. World Airways, Inc.	5,011,000	3,354,000
71. Liberty Travel, Inc.	2,155,000	3,312,000
72. Royal Caribbean Cruise Line, Inc.	2,420,000	3,168,000
73. Sitmar Cruises	1,840,000	3,107,000
74. Nestle Enterprises	4,027,000	3,065,000
75. Heublein, Inc.	5,056,000	3,018,000
76. Heinz, H. J. Co.	2,570,000	2,964,000
77. Maytag Company, The	1,427,000	2,954,000
78. Frost Company	3,160,000	2,935,000
79. Zenith Radio Corp.	2,366,000	2,908,000
80. Consolidated Foods Corp.	NA	2,902,000
81. Bavarian Motor Works	4,836,000	2,887,000
82. Brown Forman Distillers Corp.	2,737,000	2,863,000
83. Gold Coins Of Mexico	1,063,000	2,801,000
84. Pacific Southwest Airlines	692,000	2,791,000
85. Blue Shield of California	1,994,000	2,720,000
86. Pepsico, Inc.	1,050,000	2,712,000
87. Government Employees Insurance Co.	2,594,000	2,685,000
88. Texaco, Inc.	2,956,000	2,667,000
89. International Monetary Mint, Inc.	NA	2,539,000
90. Eastman Kodak Co.	3,245,000	2,510,000
91. Chesebrough-Ponds, Inc.	NA	2,506,000
92. Newhouse Publications	NA	2,496,000
93. Fiat Motors Of North America, Inc.	2,341,000	2,489,000
94. Anheuser-Busch, Inc.	1,200,000	2,484,000
95. Liggett Group, Inc.	3,775,000	2,472,000
96. Sterling House	613,000	2,417,000
97. Home Lines Cruises, Inc.	1,417,000	2,380,000
98. Greyhound Corp., The	2,252,000	2,319,000
99. Mattel, Inc.	722,000	2,307,000
100. Wolverine World Wide, Inc.	NA	2,301,000
Total top 100 newspaper advertisers		**$1,073,624,000**

NA — not available

Data copyright by Media Records 1981

NATIONAL ADVERTISING INVESTMENTS IN NEWSPAPERS IN 1981-1980

By classification, projected to U.S. totals by Media Records (copyright 1981)

Classification	1981	1980	Gain or loss
Alcoholic Beverages	**$ 94,965,000**	**$ 102,850,000**	–7.7%
Beers	10,545,000	9,474,000	+11.3
Wines	7,451,000	6,868,000	+8.5
Liquors	76,969,000	86,508,000	–11.0
Amusements	**$ 12,598,000**	**$ 11,767,000**	+7.1
Automotive	**$ 369,429,000**	**$ 313,119,000**	+18.0
Gasoline & Oil Companies	28,021,000	30,162,000	–7.1
Leasing & Rentals	34,211,000	34,658,000	–1.3
Parts, Accessories & Supplies	8,792,000	8,067,000	+9.0
Passenger Cars (New)	281,065,000	226,236,000	–24.2
Trucks, Trailers & Mobile Homes	16,243,000	12,590,000	+29.0
Automotive Not Elsewhere Classified	1,097,000	1,406,000	–22.0
Cameras, Photo Supplies & Services	**$ 16,511,000**	**$ 14,923,000**	+10.6
Educational	**$ 28,506,000**	**$ 24,510,000**	+16.3
Farm & Garden	**$ 29,467,000**	**$ 29,708,000**	–0.8
Foods	**$ 179,426,000**	**$ 166,347,000**	+7.9
Baby Foods	305,000	172,000	+77.3
Bakery Goods	16,007,000	11,807,000	+35.6
Baking Mixes, Flour & Ingredients	2,599,000	1,948,000	+33.4
Beverages	34,880,000	35,960,000	–3.0
Coffee	8,925,000	10,706,000	–16.6
Tea	1,530,000	1,726,000	–11.4
Fruit & Vegetable Juices	7,470,000	4,950,000	+50.9
Soft Drinks-Carbonated-Diet	1,745,000	2,174,000	–19.7
Soft Drinks-Carbonated-Non Diet	10,304,000	9,413,000	+9.5
Miscellaneous Beverages	4,906,000	6,991,000	–29.8
Cereals	4,462,000	5,342,000	–16.5
Condiments	11,174,000	8,173,000	+36.7
Confectionery & Snacks	9,869,000	11,171,000	–11.7
Dairy Products	21,965,000	17,487,000	+25.6
Desserts & Dessert Ingredients	2,229,000	2,356,000	–5.4
Fruits & Vegetables	10,303,000	9,639,000	+6.9
Macaroni Products-Uncooked	1,128,000	1,447,000	–22.0
Meats, Fish & Poultry	21,551,000	19,500,000	+10.5
Prepared Dinners & Dishes	11,733,000	10,865,000	+8.0
Shortenings, Oils & Margarines	8,628,000	9,846,000	–12.4
Soups	2,693,000	1,962,000	+37.3
Sugars, Syrups & Jellies	2,428,000	2,003,000	+21.2
Miscellaneous Foods	17,472,000	16,669,000	+4.8
Franchise Offers	**$ 5,890,000**	**$ 5,349,000**	+10.1
Help Wanted	**$ 68,616,000**	**$ 58,688,000**	+16.9

CLASSIFICATION TOTALS (continued)

Classification	1981	1980	Gain or loss
Hotels & Resorts	**$ 105,061,000**	**$ 78,289,000**	**+34.2%**
Hotels, Motels, & Resorts	68,735,000	49,128,000	+39.9
Resort Area Development	36,326,000	29,161,000	+24.6
Household Furniture & Furnishings	**$ 13,397,000**	**$ 13,131,000**	**+2.0**
Floor Coverings	2,729,000	2,776,000	−1.7
Furnishings	7,802,000	7,138,000	+9.3
Furniture	2,866,000	3,217,000	−10.9
Household Heating & Home Heating Equipment	**$ 14,603,000**	**$ 13,272,000**	**+10.0**
Electric, Gas & Oil Suppliers	2,240,000	4,770,000	−53.0
Heating & Plumbing Equipment	12,363,000	8,502,000	+45.4
Household Supplies	**$ 40,068,000**	**$ 41,775,000**	**−4.1**
Aluminum & Paper Products	6,502,000	7,851,000	−17.2
Disinfectants & Insecticides	3,194,000	3,149,000	+1.4
Home Building Materials & Tools	10,987,000	10,517,000	+4.5
Paints, Wall Coverings & Other Finishes	5,581,000	4,646,000	+20.1
Soaps, Cleansers & Polishes	9,185,000	9,805,000	−6.3
Miscellaneous Household Supplies	4,619,000	5,807,000	−20.5
Household Equipment & Appliances	**$ 67,566,000**	**$ 53,022,000**	**+27.4**
Air Conditioning	7,231,000	3,247,000	+122.7
Phonographs, Records, Tapes & Recorders	20,469,000	13,344,000	+53.4
Radio & TV Sets	10,198,000	10,300,000	−1.0
Ranges, Stoves & Dishwashers	6,124,000	4,884,000	+25.4
Refrigerators & Freezers	769,000	670,000	+14.8
Small Electrical Appliances	2,861,000	2,644,000	+8.2
Washers & Dryers	1,051,000	1,024,000	+2.6
Miscellaneous Household Equipment & Appl.	18,863,000	16,909,000	+11.6
Industrial	**$ 57,158,000**	**$ 40,725,000**	**+40.4**
Aircraft & Equipment	2,764,000	1,862,000	+48.4
Industrial Area Development	3,065,000	2,351,000	+30.4
Office Equipment & Stationery Supplies	26,297,000	19,624,000	+34.0
Industrial Materials & Machinery	14,377,000	8,937,000	+60.9
Miscellaneous Industrial	10,655,000	7,951,000	+34.0
Insurance	**$ 40,688,000**	**$ 36,399,000**	**+11.8**
Life, Health & Medical	33,326,000	31,142,000	+7.0
Fire, Casualty & Other	7,362,000	5,257,000	+40.0
Jewelry, Watches & Silverware	**$ 8,769,000**	**$ 8,085,000**	**+8.5**
Mail Order	**$ 72,994,000**	**$ 60,631,000**	**+20.4**
Medical Products & Drugs	**$ 24,040,000**	**$ 22,893,000**	**+5.0**
Cold, Cough & Sinus Remedies	1,016,000	992,000	+2.4
Digestive Aids & Laxatives	532,000	469,000	+13.4
Headache Remedies & Sedatives	587,000	368,000	+59.5
Vitamins, Tonics & Reducing Aids	11,095,000	11,338,000	−2.1
Medicated Skin Products	5,530,000	4,903,000	+12.8
Miscellaneous Medical Products & Drugs	5,280,000	4,823,000	+9.5

CLASSIFICATION TOTALS (continued)

Classification	1981	1980	Gain or loss
Pets & Pet Supplies	**$ 8,853,000**	**$ 8,916,000**	**−0.7%**
Pet Foods	7,534,000	7,964,000	−5.4
Pets & Pet Supplies	1,319,000	952,000	+38.6
Political	**$ 9,989,000**	**$ 26,705,000**	**−62.6**
Professional & Service	**$ 11,663,000**	**$ 8,967,000**	**+30.1**
Public Service Utilities & Communications	**$ 56,492,000**	**$ 50,595,000**	**+11.7**
Publishing & Media	**$ 197,710,000**	**$ 177,650,000**	**+11.3**
Books	38,298,000	32,823,000	+16.7
Magazines	23,879,000	19,711,000	+21.1
Newspapers	2,863,000	2,711,000	+5.6
Radio & TV Stations	132,670,000	122,405,000	+8.4
Real Estate	**$ 20,954,000**	**$ 16,483,000**	**+27.1**
Sporting & Leisure Time Equipment	**$ 13,532,000**	**$ 7,568,000**	**+78.8**
Sporting Goods	5,823,000	3,904,000	+49.2
Boats & Equipment	921,000	601,000	+53.2
Hobbies, Toys & Games	6,788,000	3,063,000	+121.6
Tobacco	**$ 391,283,000**	**$ 313,773,000**	**+24.7**
Cigars	2,099,000	1,372,000	+53.0
Cigarettes	386,375,000	310,604,000	+24.4
Tobacco & Smoking Accessories	2,809,000	1,797,000	+56.3
Toiletries & Toilet Goods	**$ 32,506,000**	**$ 30,901,000**	**+5.2**
Cosmetics, Make-Up & Manicure Products	5,150,000	4,041,000	+27.4
Dental Supplies & Mouthwashes	6,364,000	4,616,000	+37.9
Feminine Hygienic Products	4,538,000	4,842,000	−6.3
Men's Toiletries & Hair Products	2,034,000	3,337,000	−39.0
Men's & Women's Shaving Equipment	2,201,000	2,087,000	+5.5
Perfumes & Toilet Water	2,069,000	1,614,000	+28.2
Toilet Soaps, Bath Powders & Deodorants	2,413,000	2,245,000	+7.5
Women's Hair Products & Treatments	1,546,000	1,360,000	+13.7
Miscellaneous Toiletries & Toilet Goods	6,191,000	6,759,000	−8.4
Transportation	**$ 369,191,000**	**$ 296,790,000**	**+24.4**
Airlines	226,098,000	186,793,000	+21.0
Domestic	147,153,000	121,953,000	+20.7
International	76,419,000	63,343,000	+20.6
Cargo	2,526,000	1,497,000	+68.7
Bus Lines	4,862,000	5,279,000	−7.9
Railroads	5,743,000	4,590,000	+25.1
Steamships	44,858,000	34,699,000	+29.3
Tours & Travel Service	78,610,000	59,108,000	+33.0
Miscellaneous Transportation	9,020,000	6,321,000	+42.7
Wearing Apparel	**$ 40,330,000**	**$ 31,423,000**	**+28.3**
General Not Elsewhere Classified	**$ 153,995,000**	**$ 118,872,000**	**+29.5**
Grand Total	**$2,556,250,000**	**$2,184,126,000**	**+17.0**

Top brand spenders in newspaper space (cont.)

	1981	1980	1979	1978	1977
Beers					
Budweiser	$ 939,000	$ 258,000	$ 214,000	$ 391,000	$ 164,000
Michelob	798,000	384,000	175,000	508,000	31,000
Coors	746,000	604,000	415,000	722,000	390,000
Beverages (food)					
Maxwell House	1,827,000	2,032,000	1,966,000	2,537,000	2,186,000
Folgers	830,096	563,000	1,372,000	552,000	604,000
Nescafe	593,375	634,000	1,396,000	412,000	——
Books					
Time-Life	2,526,000	2,371,000	773,000	623,000	395,000
Book-of-the-Month	2,191,000	1,748,000	1,768,000	1,500,000	1,423,000
Simon & Schuster	1,761,000	527,000	660,000	391,000	519,000
Bus lines					
Greyhound	908,000	838,000	526,000	2,051,000	749,000
Trailways	652,000	620,000	——	——	——
Blue Bird Coach	201,000	111,000	50,000	38,000	34,000
Cameras/photo supplies					
Kodak	2,401,000	3,180,000	1,975,000	2,432,000	3,572,000
Polaroid	2,267,000	900,000	2,420,000	2,522,000	1,878,000
Clark Color Lab.	1,203,000	898,000	559,000	851,000	291,000
Cereals					
Kellogg's	2,457,000	3,263,000	4,011,000	4,226,000	2,664,000
General Mills	457,000	335,000	314,000	164,000	289,000
Quaker	249,000	54,000	141,000	1,014,000	844,000
Cigarettes					
Merit	38,133,000	29,141,000	26,886,000	20,507,000	23,763,000
Barclay	34,917,000	1,224,000	——	——	——
Winston	29,171,000	9,217,000	17,581,000	9,300,000	13,436,000
Condiments					
Kraft	1,554,000	1,048,000	884,000	3,394,000	3,876,000
Seven Seas	1,001,000	371,000	——	172,000	——
Hunts	879,000	212,000	927,000	324,000	423,000
Confectionery/snacks					
Hershey	1,233,000	264,000	358,000	163,000	389,000
Pepperidge Farm	451,000	44,000	44,000	29,000	——
Nabisco	407,000	162,000	27,000	491,000	166,000
Couponers					
Valassis	23,439,000	13,456,000	9,791,000	6,212,000	4,123,000
Blair Inserts	21,748,000	11,666,000	7,929,000	5,921,000	4,227,000
Sunday Comics Corp.	12,468,000	10,685,000	4,938,000	——	——
Dairy products					
Kraft	1,221,000	1,119,000	694,000	1,750,000	1,245,000
American Dairy Assn.	768,000	534,000	334,000	520,000	955,000
Sealtest	709,000	365,000	297,000	497,000	143,000

Estimates prepared by Media Records in 125 markets representing 82% of U.S. total

Top brand spenders in newspaper space (cont.)

	1981	1980	1979	1978	1977
Dental supplies/mouthwash					
Colgate	$ 1,617,000	$ 324,000	$ 377,000	$ 11,000	—
Lever	905,000	432,000	256,000	—	—
Reach Toothbrush	548,000	329,000	162,000	276,000	$ 153,000
Farm & garden					
Snapper	2,156,000	1,815,000	1,619,000	1,472,000	965,000
Michigan Bulb	2,068,000	2,024,000	1,407,000	1,134,000	—
Toro	1,843,000	1,950,000	1,880,000	1,651,000	1,152,000
Floor coverings					
Armstrong	1,290,000	698,000	1,294,000	925,000	478,000
Lees Carpet	330,000	639,000	646,000	274,000	210,000
Karastan Carpet	105,000	—	—	—	51,000
Foods (miscellaneous)					
Kraft	1,729,000	1,738,000	1,739,000	484,000	929,000
La Choy	659,000	604,000	486,000	429,000	570,000
Carnation	490,000	834,000	632,000	269,000	5,000
Fruits/vegetables					
Del Monte	1,288,000	564,000	271,000	43,000	36,000
Green Giant	630,000	1,027,000	301,000	463,000	626,000
Ore Ida Potatoes	536,000	144,000	254,000	166,000	259,000
Gas/oil					
Mobil	8,105,000	5,631,000	5,619,000	4,130,000	5,484,000
Texaco	2,667,000	2,956,000	1,143,000	606,000	1,259,000
Standard Oil	1,472,000	845,000	427,000	76,000	389,000
Home building materials/tools					
Owens Corning	1,375,000	533,000	179,000	36,000	331,000
Georgia Pacific	1,084,000	474,000	662,000	12,000	160,000
Black & Decker	811,000	739,000	—	—	18,000
Household equipment (miscellaneous)					
G-E	4,721,000	6,506,000	3,089,000	4,280,000	4,177,000
Hotpoint	1,936,000	883,000	1,391,000	1,141,000	—
Maytag	1,811,000	1,339,000	276,000	654,000	557,000
Insurance — life/medical					
Blue Cross/Blue Shield	3,699,000	5,574,000	3,806,000	3,471,000	3,292,000
Metropolitan Life	1,882,000	202,000	383,000	201,000	161,000
N.Y. Life	1,405,000	1,214,000	1,129,000	1,010,000	714,000
Jewelry/watches					
Seiko	1,698,000	632,000	93,000	44,000	—
Timex	1,386,000	2,104,000	1,628,000	774,000	326,000
DeBeers	584,000	—	71,000	93,000	70,000
Liquors					
Seagram's	2,395,000	4,397,000	3,324,000	2,432,000	1,306,000
Dewars Scotch	1,950,000	1,802,000	113,000	881,000	—
Kessler	1,729,000	2,444,000	2,800,000	357,000	550,000

Estimates prepared by Media Records in 125 markets representing 82% of U.S. total

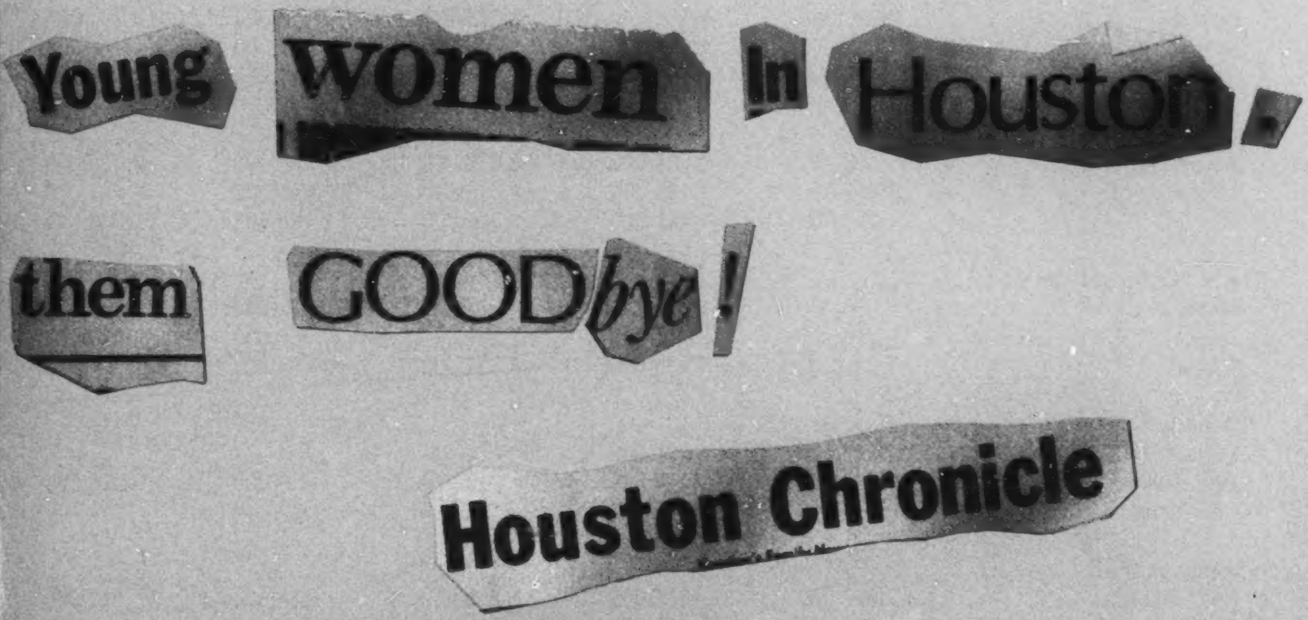
Top brand spenders in newspaper space (cont.)

	1981	1980	1979	1978	1977
Lotteries					
Michigan	$ 1,341,000	$ 1,148,000	$ 1,107,000	$ 1,134,000	$ 1,075,000
New York	900,000	2,245,000	1,648,000	1,079,000	643,000
Pennsylvania	458,000	668,000	587,000	678,000	818,000
Magazines					
Time	2,442,000	2,034,000	1,826,000	1,486,000	944,000
Sports Illustrated	1,874,000	1,197,000	244,000	348,000	367,000
Newsweek	1,642,000	638,000	792,000	546,000	846,000
Mail Order					
Franklin Mint	9,041,000	8,270,000	6,280,000	7,064,000	9,165,000
Mail Box U.S.A.	4,696,000	2,109,000	1,806,000	2,776,000	1,976,000
Intern. Monetary Mint	2,539,000	1,126,000	—	—	—
Meats/fish/poultry					
Hormel	3,328,000	2,208,000	1,945,000	1,584,000	1,552,000
Perdue	765,000	1,096,000	1,278,000	396,000	239,000
Swift	745,000	783,000	942,000	803,000	557,000
Office equipment & supply					
Xerox	5,045,000	3,103,000	1,476,000	1,507,000	869,000
IBM	1,937,000	2,874,000	1,718,000	717,000	1,558,000
Texas Instrument	1,094,000	1,065,000	150,000	87,000	46,000

Warning!
we're
holding
195,000
Respond
immediately
OR
kiss

Among women 18-34 who read a daily newspaper, 65% read The Housto
Represented nationally by Sawyer Ferguso

Paints					
Olympic	1,002,000	907,000	826,000	737,000	540,000
Glidden	720,000	389,000	297,000	296,000	115,000
Sherwin-Williams	457,000	204,000	148,000	493,000	596,000
Pet foods					
Purina	974,000	1,468,000	1,244,000	1,578,000	1,188,000
Ken-L-Ration	518,000	404,000	760,000	1,016,000	598,000
Kal Kan	408,000	109,000	509,000	91,000	411,000
Phonographs/records/tapes					
Columbia	5,994,000	6,186,000	4,452,000	6,614,000	5,831,000
RCA	5,480,000	865,000	1,365,000	2,379,000	2,294,000
Sony	3,509,000	3,112,000	1,199,000	966,000	1,294,000
Prepared dishes					
Chef Boy-Ar-Dee	554,000	97,000	203,000	112,000	255,244
La Choy	400,000	87,000	106,000	204,000	166,000
Uncle Ben	340,000	112,000	154,000	72,000	319,000
Public utilities					
Pacific Telephone	2,306,000	474,000	245,000	635,000	35,000
Illinois Bell	2,070,000	906,000	736,000	656,000	739,000
General Telephone	1,508,000	912,000	1,607,000	1,046,000	491,000
Radio/tv sets					
RCA	3,587,000	3,175,000	2,422,000	2,215,000	2,150,000
Zenith	1,910,000	1,633,000	2,284,000	2,169,000	2,409,000
Sony	1,254,000	1,866,000	832,000	1,088,000	184,000



hronicle. So choose The Chronicle. If you don't, you'll be sorry.
alker. Source: Scarborough Report, 1982.

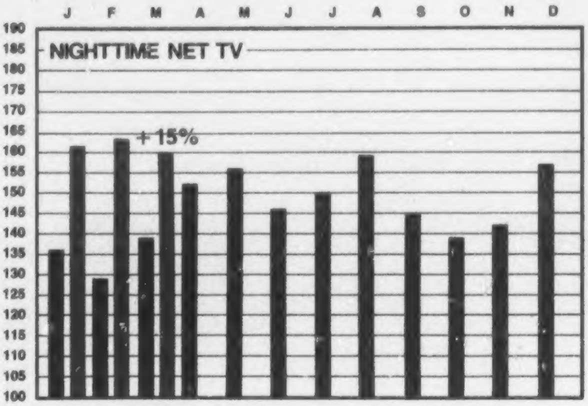
Top brand spenders in newspaper space (cont.)

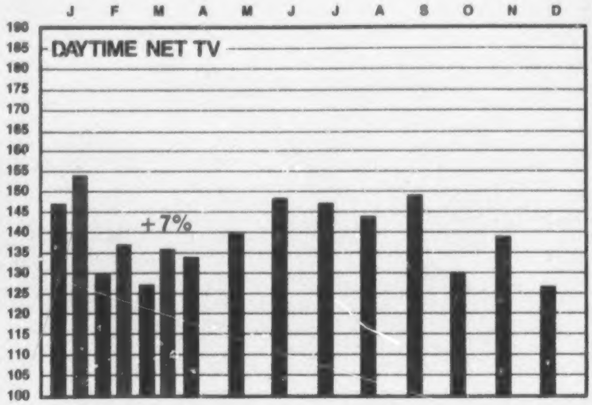
	1981	1980	1979	1978	1977
Radio/tv stations					
NBC	$13,727,000	$15,488,000	$12,839,000	$10,426,000	$ 7,100,000
ABC	10,240,000	11,808,000	10,891,000	10,480,000	5,706,000
CBS	8,658,000	7,870,000	8,388,000	7,541,000	5,761,000
Real estate					
Genl. Develop. (Miami)	590,000	487,000	226,000	107,000	36,000
Snyder Ryan	359,000	148,000	—	—	—
B. K. Haynes	335,000	90,000	—	—	—
Railroads					
Amtrak	3,741,000	2,115,000	3,943,000	3,027,000	2,094,000
Burlington Northern	389,000	1,147,000	385,000	323,000	—
Southern	101,000	107,000	79,000	77,000	74,000
Shortenings/oils/margarine					
Parkay	442,000	523,000	673,000	492,000	107,000
Mazola	351,000	170,000	79,000	238,000	275,000
Imperial	349,000	204,000	150,000	62,000	58,000
Soaps/cleansers/polishes					
Purex	483,000	59,000	—	96,000	149,000
Yes	411,000	80,000	158,000	—	—
Dynamo	372,000	326,000	229,000	145,000	85,000
Sporting goods					
Schwinn bicycle	1,002,000	—	—	11,000	13,000
Honda motorcycle	419,000	36,000	51,000	823,000	302,000
Harley-Davidson	380,000	—	—	—	—
Steamship lines					
Cunard	3,925,000	3,580,000	2,083,000	1,802,000	3,224,000
Norwegian Carib.	3,888,000	1,754,000	1,275,000	657,000	1,318,000
Holland American	3,789,000	4,555,000	3,037,000	3,294,000	2,198,000
Tours/travel service					
American Express	5,059,000	2,168,000	2,028,000	2,210,000	2,478,000
Liberty	3,312,000	2,155,000	1,618,000	1,391,000	1,374,000
May Co.	1,936,000	1,401,000	1,086,000	1,234,000	1,068,000
Trucks/mobile homes					
Chevrolet	1,966,000	1,215,000	851,000	622,000	540,000
Datsun	1,418,000	411,000	8,297,000	264,000	139,000
Toyota	1,399,000	218,000	8,487,000	635,000	396,000
Vitamins/tonics					
Thera Trim	722,000	21,000	—	—	—
Genl. Nutrition	643,000	136,000	218,000	849,000	970,000
Dr. Littens	608,000	—	—	—	—
Wearing apparel					
Hush Puppies	1,636,000	964,000	789,000	684,000	841,000
Jordache	1,036,000	866,000	286,000	—	—
Levi's	967,000	290,000	52,000	186,000	11,000

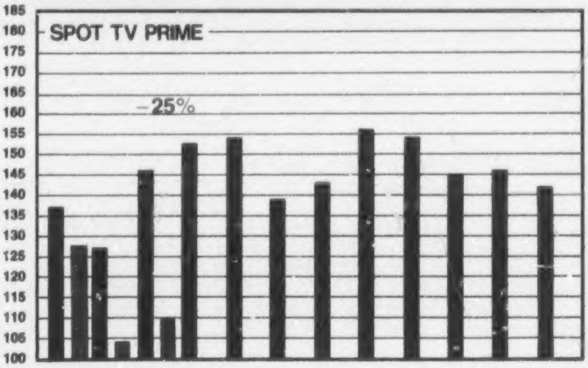
Estimates prepared by Media Records in 125 markets representing 82% of U.S. total

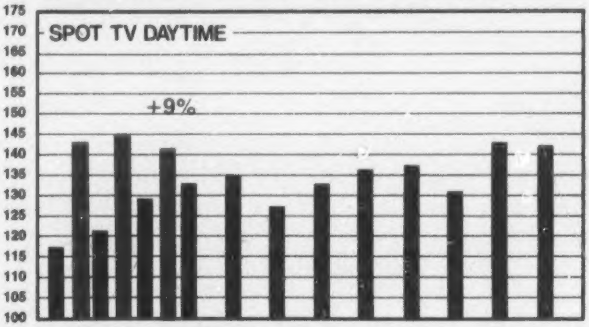
MEDIA COST INDEX

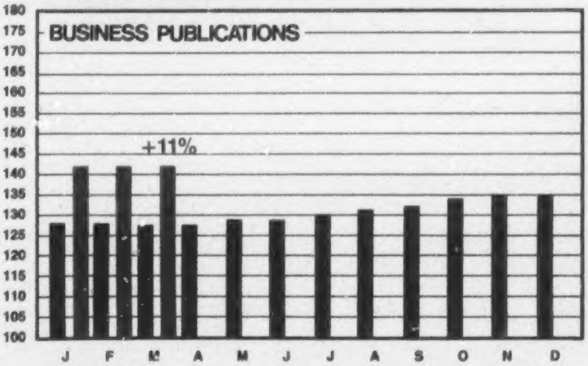
Black bars index for 1981; red bars 1982; base year 1977











Network radio reversed the trend line from the year's beginning. Through February prices were 9% below last year; then in March it moved up dramatically in volume and pricing — with prices in March 1982 17% higher than in March 1981.

Spot radio, which had already shown signs of strength in 1982, was priced 10% above the year previous in March 1982.

Nighttime net tv in March 1982 continued to stay considerably ahead of the year previous, but its price increases were not as extravagant as in January and February. In March it was up 15% over the year previous, whereas in February it had been up 17% and in January up 19%.

Daytime net tv was up 7% in March 1982 compared to March 1981, less than in February but more than in January of this year.

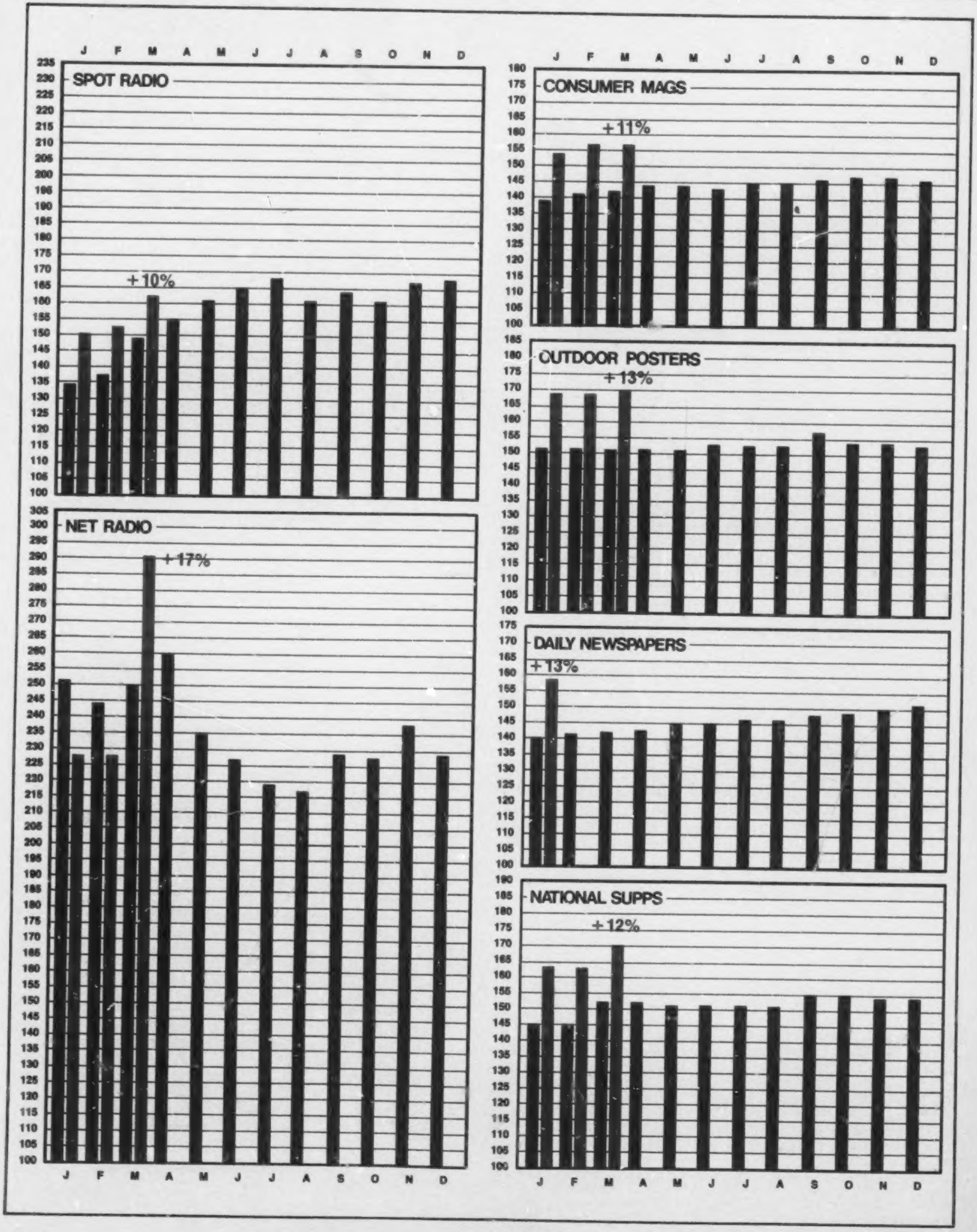
Consumer magazines and business publications held the higher rate levels they established at year-end. In March 1982, consumer magazines were 11% higher in price than in the previous March. Business publications were priced 11% over March 1981.

Continued on page 192

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



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With national expansion, Neiman-Marcus has learned to decipher the differing needs of its upscale customers, according to Guest Editor Tom Alexander page 44

11th Annual Top 200 Brand Directory page 59

Is cable narrowcasting dead? page 39

Networks gear up for overnight news page 46

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vp-marketing, Neiman-Marcus.

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THE TOP
200
BRANDS

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D.C.

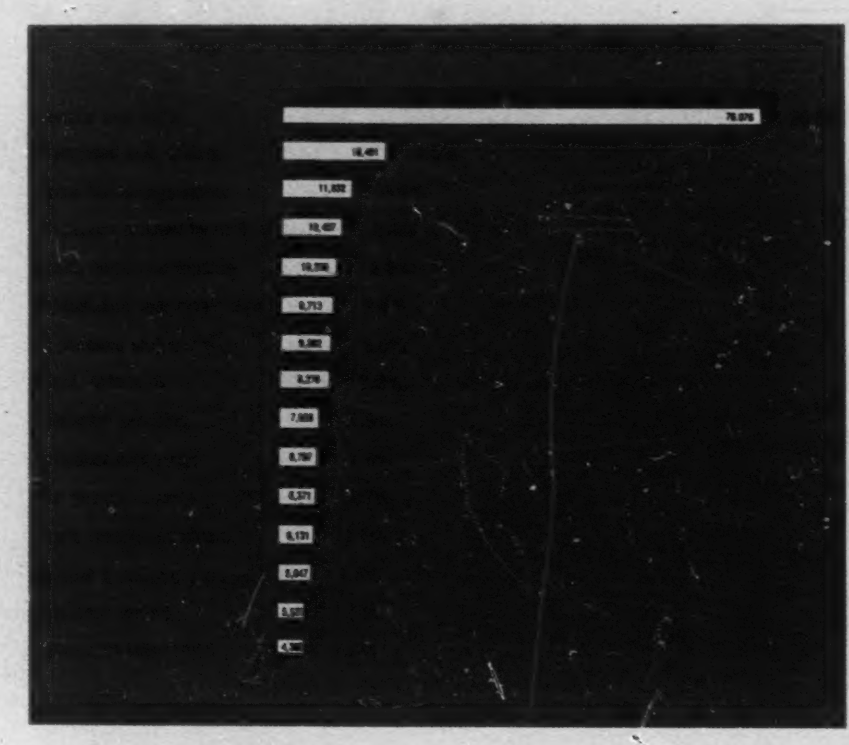
Mail order companies top BBB complaint list

As in prior years, general mail order companies were at the top of the Better Business Bureau's volume of consumer complaints in 1981, according to BBB's annual statistical summary of inquiry and complaint activity.

Franchised auto dealers ranked second, but dropped 13% in volume compared to complaints in 1980.

Overall, the 153 U.S. Better Business Bureau offices handled nearly seven million complaints, an increase of more than five percent over 1980.

Other categories of consumer complaints outside of the top 15 categories on the rise last year included health studios and spas, vacation certificate offers, utilities and telephone companies.



ACT sues FCC to force children's tv ruling

In a measure designed to get the Federal Communications Commission to force tv stations to offer children's programing, Action for Children's Television (ACT) has brought suit against the Commission, and against its seven commissioners.

Noting a recent National Institute of Mental Health report on tv violence's harm to children as evidence of the need for improving programing, ACT president Peggy Charren told a Washington news conference that the organization's goal is to force FCC to require tv stations to note the needs of children.

"ACT is not filing this complaint so that parents can have a better baby sitter," Charren said. "We are acting so that children can get the programing service they deserve from one of the major educational institutions in the country."

In 1974, FCC issued an interim decision not to adopt specific rules for children's television, but in a public statement declared that "broadcasters have a special obligation to serve children." In January of 1980, the Commission announced that rule proposals were still being considered.

According to ACT, FCC's lack of action over the years, coupled with the Commission's current deregulatory mood, has "sent the message to broadcasters that they need not worry about children's programing."

Charren noted the cancellation of a number of network programs, and "phasing out" of *Captain Kangaroo* by CBS, as evidence of network inattention to children's program needs.

"Twelve years is far too long a period to put children on hold," Charren said. "We hope that this suit will force the FCC to at last issue a decision in the children's television proceeding. We hope, as well, that the FCC's decision will reflect the Commission's intention to act on behalf of children."

Commerce committee adopts one-year FTC bill

Failing to reach a consensus on substantial issues concerning FTC's future, a House Commerce subcommittee has approved a bare bones, one-year appropriation of $72.7 million.

According to subcommittee chairman James Florio (Democrat-New Jersey), the bill was passed after arguments over FTC's future threatened passage of any authorization bill.

The proposals currently circulating on FTC's continued use of the "unfairness" and "deception" standards were not discussed, and Florio dismissed consideration of what he called "radical proposals to dismantle FTC."

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MARKETING &
MEDIA Decisions
July 1982 / Vol. 17, No. 8

CBS cable

DAYTIME

ESPN

SuperStationWTBS

UTV

TELE FRANCE - USA

Cable Health Network

MSN

USA CABLE NETWORK

Will ads turn cable into a tv clone?

Advertising-supported cable television burst upon the media scene promising to transform the screen into a target marketing tool and an alternative to traditional network programing. But thus far, the economics of narrowcasting have kept cable from fulfilling that promise. Ad dollars are going to the most broadly-based networks, and mounting competition is challenging cable's future as a delivery system. The question now: is advertising helping to turn cable into a replica of over-the-air television?

Steve Leff is a partner in the Backer & Spielvogel ad agency, and a man with a reputation in media circles for being bullish on advertising-supported cable television.

The agency's executive vp-director of media services freely admits the self-interest of his desire to see the basic cable networks flourish.

"If the basic ad-supported networks don't make it and cable becomes just pay services," says Leff, "that will be bad for my clients and my business."

Leff has backed his commitment to ad-supported cable with several significant cable buys for a client roster that includes Miller Brewing, Sony and Campbell Soup.

One would presume that someone as committed to cable as Leff would sing the praises of the medium's alternative programing options and unique advertising opportunities. But one would presume wrongly.

Says Leff, "The ad-supported cable networks as they exist today are not where they should end up. All this talk about pioneering through cable is a crock. Advertisers are using cable just like they use over the air tv.

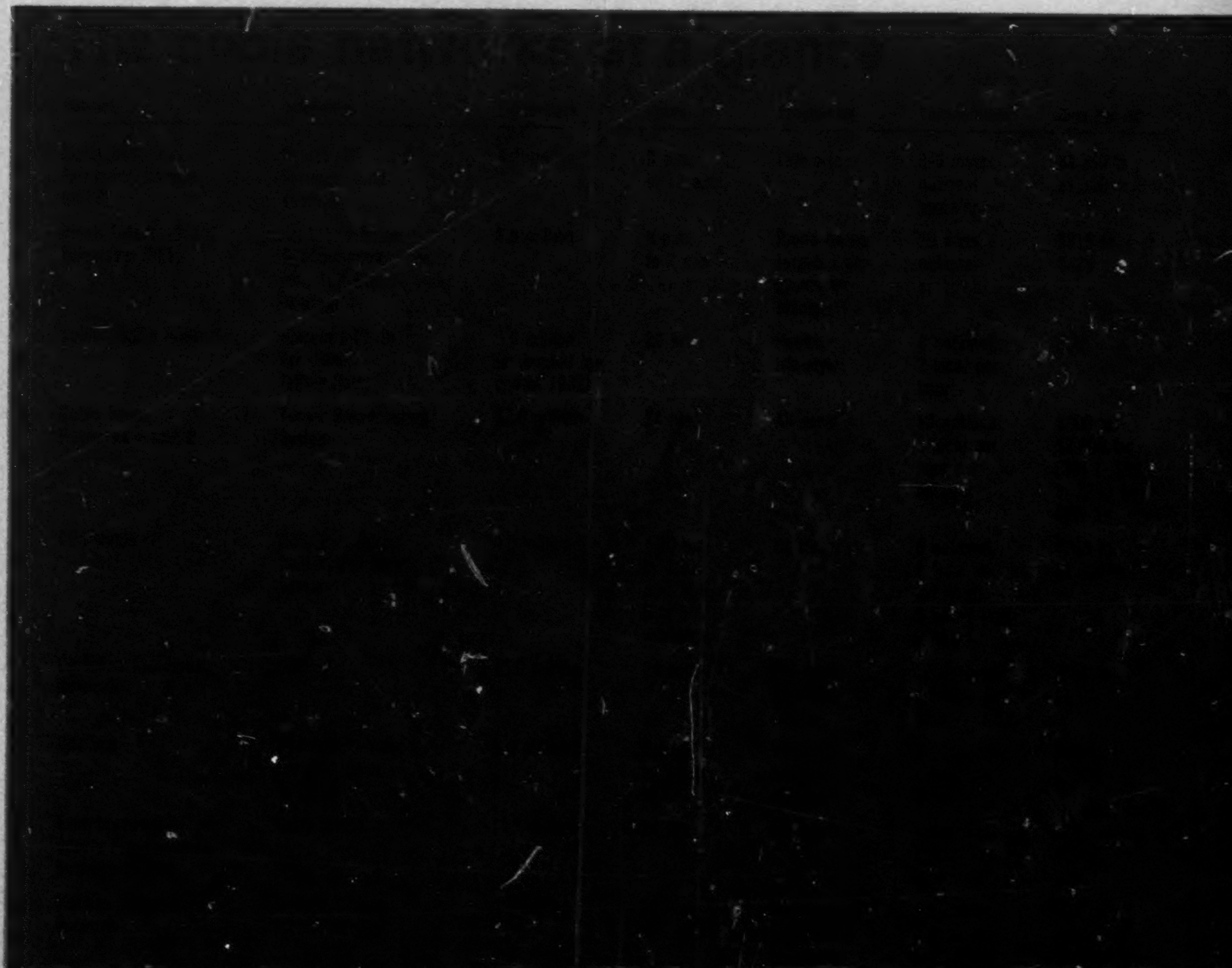
"The bottom line in cable is the programing, and people think it stinks. Subscribers are bailing out. Basic cable is boring and poorly produced. The argument that declining network primetime share is going to cable is silly. Tuning in a cable program is a last resort, right after Chinese checkers.

"Cable is unmeasured. It suffers from silly hype and stupidity in the press. There is a lack of quality programing and too much emphasis on narrowcasting.

"There's going to be an accounting and the time for it is now. We've got to start running this thing like a business, and not like a rodeo."

Few others in media have offered quite so damning an assessment of the present state of ad-supported basic cable programing. To be sure, even Leff has his favorites on the cable dial. He calls the USA Cable Network, for instance, "The only true cable network," and he has placed Miller Brewing on that network as the exclusive sponsor of *Sports Probe*, a sports interview program. Sony Betamax is also on USA.

Yet Leff's prediction of an accounting of cable's efforts to date appears to be right on target. A *Decisions* survey of media experts, advertisers, programers and producers reveals a general retrenching of thinking on the opportunities and effectiveness of cable tv. The medium, according to these



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experts, is facing several crucial crossroads that could determine whether cable will ever live up to its original promise as a new advertising frontier. Here are the highlights of our look behind the scenes in ad-supported cable tv programing:

- **Media people and programers see cable as nothing more than a delivery system.** Programers increasingly perceive themselves, as one Turner Broadcasting System official says, as "being in the circulation business." It is essential to the programers that their product reach the biggest audience possible. How the programing gets to the viewer is immaterial to both the programer and the media buyer.

There is mounting concern even within the cable television industry that wiring the nation door by door may turn out to be the least efficient means for delivering expanded programing options.

While most media experts still believe cable will make it, they are now willing to predict with certainty only that the future will provide multiple programing choices. How the programing gets to the tv household is an open question.

- **SuperStation WTBS maverick Ted Turner is expected to be the first to abandon cable exclusively,** even though he was the first to adopt the motto, "I was cable before cable was cool." The process has already begun with Turner's distribution of his Cable News Network 2 to traditional broadcast markets in television and radio.

That move, however, is only the beginning. Media experts predict that Turner eventually will sell off the SuperStation and become a programing syndication source for independent

Continued on page 189

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CABLE NETWORKS (from 41)

and network affiliate stations in over-the-air broadcasting.

Turner executives already describe WTBS, the SuperStation, as "the fourth network." These same executives declined repeatedly to describe WTBS as a "cable network."

- **Advertising dollars have pushed cable networks to throw their weight to the broadest programing.** Finding a cable property that is unavailable on broadcast tv is becoming less and less important to media buyers, and less available from cable programers, except, perhaps in an extended form.
- **Narrowcasting is suffering, with a few exceptions.** Some media experts contend that narrowcasting still does not exist on cable. Others, like Leff, say that narrowcasting makes no economic sense. Still others, however, fear that abandoning the concept of narrowcasting at this stage of cable's development is a mistake that could lead advertisers to forego the greatest potential the medium has to offer.
- **The movement of advertising dollars to the broad-based networks will trigger the shakeout process in cable this year.** The shakeout, according to media experts, will take two forms. First, the experts say, there will be a financial failure of at least one cable network in 1982, with more to follow in 1983. Second, the remaining narrowcast or vertical cable networks will either foresake their single-topic exclusivity or begin to program strictly by dayparts.
- **The combining of programing services on previously vertically-programed cable networks will lead to new forms of business,** including multi-media advertising packages that incorporate both time on the cable network and space in magazines and other media.
- **With metering of the Cable News Network and Christian Broadcasting Network by A.C. Nielsen this summer, cable television is being measured quantitatively before it is ready to compete** with traditional broadcast

Will Turner abandon cable?

[illegible]

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television on that level. The struggle goes on to find an acceptable qualitative measurement methodology, but the problems are manifold.

- **Advertisers continue to go to cable because of the unique advertising opportunities** offered through the medium for a relatively small out-of-pocket investment. Increasingly, the lure of cable is the advertiser's ability to own a program.
- **Cable continues to grow in spite of mounting criticism of media experts and subscribing consumers.** Even in a bad economy, new markets continue to be wired. Despite increasing viewer disaffection for cable programing, subscriber counts continue to expand by 350,000 a month.

Although narrowcasting is no longer generally perceived in media circles as the wave of the future in alternative tv programing, new narrowcast programing ventures continue to roll out, including Viacom's Cable Health Network, Landmark's The Weather Channel and Hearst/ABC's Daytime.

Further indicating cable's growth is the entry of several major communications corporations into the programing arena, albeit few of the majors are going it alone. In the past 12 months, though, Group W Satellite Communications alone has announced or started no less than five cable programing joint-ventures.

- **There is a sense that cable programing comes on line without any clear rationale to support it,** according to media experts, some programers and subscribers. In the view of at least one programer, the expansion of cable basic programing has resulted from circumstance and the random availability of satellite transponder time, rather than from a reasoned corporate strategy.

The immediate result of these highlights has been the reassessment of precisely what is cable tv.

Arnie Semsky, executive vp-director of media and network programing at BBDO, expresses a view held by several others in media. "Cable is a delivery system," says Semsky. "People care about the programing. They don't care how they get it."

The same attitude can be found on the programer side. Gerry Hogan, vp for national sales for Turner Broadcasting Sales, says, "People don't care about the delivery system. When we first started selling cable in 1978, a full 30 minutes of the presentation to media people was on the delivery system. Now, no time is spent explaining cable."

Farrell Reynolds, Turner's vp for eastern regional sales, added, "Madison Avenue is looking for something new under the sun. But what is cable? We are in the circulation business, and advertisers want to reach as many households as possible."

The question: will cable, among the emerging communications technologies, be the medium to deliver the most households?

The question is important enough that the National Cable Television Association, the leading cable trade group, commissioned the Denver-based consulting firm of Browne, Bortz and Coddington to study "The Impact of Competitive Distribution Technologies on Cable Television."

The results of the study were not reassuring. "A large portion of consumer demand for non-broadcast program services," the study reported, "can probably be met by a four or five-channel service, suggesting that multichannel subscription tv (STV), multi-point distribution services (MDS), satellite-fed master antenna systems (SMATV), or direct broadcast satellite (DBS) can capture a significant market share."

The study further predicted that

Is this alternative television programing? Ted Turner's SuperStation is widely respected as being the leader in attracting viewers and advertising dollars to cable programing, but much of Turner's program schedule is made up of well-traveled off-net reruns, such as Eddie Albert and Eva Gabor's *Green Acres* (above left), Fred MacMurray's loveable patriarch in *My Three Sons* (center), and a rebroadcasting of the Jack Nicholson vehicle, *Chinatown*.

multichannel technologies will likely reduce cable penetration by as much as 20%. Using a 200,000 homes market as an example, the report states that even a modest five percent decrease in the basic-cable-to-homes-passed ratio would cause cable revenues and net income to decline by $63 million and $13 million, respectively. The net income loss, the study says, is more than proportional to the loss of subscribers.

Commenting on the study, NCTA president Thomas Wheeler said, "Cable is no longer the only way to eliminate the scarcity of programing options . . . If we don't provide a particular service, others will. Even when we do provide a particular service, others are providing it also in a competitive test of just who can build the most consumer loyalty."

Wheeler noted that the Federal Communications Commision is expected this summer to approve the pending applications for direct broadcast satellite licenses. Two of the three broadcast networks have DBS applications before the FCC. Parts of the country could begin receiving DBS broadcasts by mid-1983, Wheeler noted, even without FCC action.

Oak Industries, which now runs ON-TV as a STV service, has leased four transponders on the Canadian satellite Anik C, which can deliver scrambled pay programing directly to consumers in the Pacific Northwest and northeastern U.S. The study revealed consumer willingness to take DBS over other forms of distribution, including cable.

"A recent poll of consumers," says Wheeler, "showed that 26% were willing to spend $300 for a home satellite dish. That's an overnight penetration equal to what it took the cable industry 30 years to achieve."

The NCTA study also showed that STV services can sustain high subscribership in a market even after the area is wired for cable.

"In new cable builds," Wheeler said, "fully one-third of those who would otherwise be cable subscribers remain STV subscribers. In other words, the percentage of STV subscribers that convert to cable when it becomes available is only 50%."

The development of satellite-fed master antenna systems is also a threat

Just like tv in the '50s

One of cable's biggest lures for advertisers is the prospect of returning to the Golden Age of tv when advertisers could own the program, dictate its content, and use the company's name [illegible] the show on the network of choice in the most [illegible] time periods.

Increasingly, advertiser-produced programs are filling out the schedules of the cable networks. The examples range from narrowcast [illegible] to broad-based popular programing not totally unlike traditional over-the-air fare.

One of the more recent examples comes from Campbell Soup Co. through one of its ad agencies, BBDO. The program, called WomanWatch, is the first cable programing effort for both Campbell and BBDO. The pilot of the program was scheduled to run through June on the SuperStation WTBS, and if successful, the program would roll out as a weekly series starting in the fall.

"There are certain programs on over-the-air television that Campbell will not go on," says Paul Mulcahy, managing director of Campbell's CSC Advertising. "Over the past 10 years, our options in broadcast tv have been shrinking. With this cable program we are utilizing available marketing dollars and delivering a socially redeeming property."

The process leading to Campbell's programing venture is characteristic of most advertiser produced shows going to cable. The effort began more than a year ago, with R. Gordon McGovern, president and ceo of Campbell Soup, expressing interest in both cable television as an ad medium and in developing a program with [illegible] appeal to women. At Campbell's instruction, BBDO [illegible] producers and program developers for ideas. Neither Campbell nor BBDO had a particular program in mind at the time.

After reviewing cooking shows and other topics, Campbell and BBDO selected WomanWatch, a series of profiles of "contemporary women," with pilot segments that covered a Hollywood caterer, a female company commander at West Point, an intern at a city hospital and an interview with two women who write romance novels under the pseudonym of Fern Michaels.

"Campbell opted for this type of program over a food or cooking show," says Jane Fuller, vp-associate media director at BBDO. "The company is trying to expand its image. It is trying to position itself as being more relevant to the lifestyle of the contemporary woman."

In addition to fitting nicely in the marketing strategy of Campbell, the programing venture also accomplished several goals for the company. First, the vehicle allows Campbell to demonstrate through advertisements running in the Campbell-exclusive program the wide range of products under the Campbell umbrella.

"There can be no clutter in this show because Campbell owns all the time," says Paul Green, [illegible] for cable and new technologies at BBDO.

BBDO placed the program on WTBS by buying out all commercial time in the time periods it desired for the show.

"We bought [illegible] of time on WTBS," says Green. [illegible]

[illegible] our own show, we can create a [illegible]

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to cable. An SMATV system functions much like a cable franchise, but uses private instead of public rights of way and services only concentrations of multiple dwelling units.

"Consider for instance the SMATV proposal for Co-Op City, a 15,000 unit complex in (the Bronx) franchise area," said Wheeler. "The financial viability of a (Bronx) cable system that includes Co-Op City is far different from the viability of a system without the 15,000 high density units."

The challenge for the cable industry, as Wheeler sees it, is simple. "We are going to have to become better marketers in order to meet our new competition fairly in the marketplace and hold our own," said the NCTA president. "Selling cable television against MDS or STV is no different than selling Duz against Oxydol."

That challenge, however, might be difficult for the cable industry to meet as it is presently constructed.

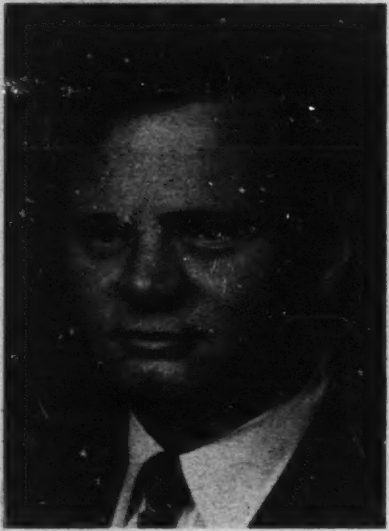
Ira Tumpowsky, vp-group supervisor for cable at Young & Rubicam, the agency that last year claimed it placed over $12 million in cable advertising, says, "The cable operator is not marketing oriented. Programs pop in and out without rhyme or reason. The operators are not being discriminating about their programing formats. The cable system operator — with few exceptions — has not researched what his constituency wants in programing.

"If the operator is a local person from the town, he might have a feel for what the community wants in programing. The MSO's (multi-system operators), however, don't really know what the community wants."

Tumpowsky and others in media agree that it is easy for the cable system operator to want to program premium pay tv services, such as Home Box Office and Showtime. To compete against the other delivery systems, Tumpowsky says, cable must not go after the financial short-term gains from pay services to the exclusion of basic cable programing that is compelling.

"The franchisers will need a little or a lot of each — pay and ad-supported programing," says Tumpowsky. "There must be basic cable programing support or cable won't get into the household to sell the pay services in the first place. The operator must find a middle ground."

But what compelling fare does ad-supported cable programing have to offer? A list of present satellite-delivered ad-supported cable networks is presented on page 41.



Dave Martin of Campbell-Ewald believes that to give up on narrowcasting now is to forego the potential of cable tv.

While cable came onto the scene with the promise of tightly-targeted programing that would attract smaller but more definable and, from an advertising point of view, more desirable audiences, there has developed a growing media perspective that cable is not the land of alternative viewing opportunities.

An all-news network is a new programing format, but is not new programing. The same holds for an all-sports network, an all-weather channel, cultural programing, women's target-casted channels, or health and lifestyle services.

The format may be different than what is available on traditional broadcast tv, and the editorial intergrity of the cable programs in some instances may be loftier than the broadcast counterparts, but with the exception of TeleFrance USA, a foreign language network featuring top-quality French television fare, none of the cable networks have delivered a concept unique to cable.

"What are we cable programers if we are not television?" asks Jeff Lawenda, vp-advertising sales and commercial program development at the USA Cable Network. "We offer desirable programing not available elsewhere, but we are still television. We want to attract as big an audience as possible. To do that, we have to remember that this is television, and people want to be entertained."

USA Cable Network draws high praises from media experts for its ability to put together a programing schedule by daypart. Programing to the available audience has become the cornerstone of the USA programing strategy. That strategy flies in the face of the 24-hour, single subject narrowcast cable networks it competes against for advertising dollars.

"Cable will not have the capacity to change the general availability of people to watch television," says Lawenda. "If women are at home during the day, we must program during those hours for that audience.

"We're also very concerned with audience flow. Once we get a viewer into our schedule, we want to hold onto her through the day and through the week. That's why we have turned to strip scheduling. Our job is to define what society is all about, and then program for that most effectively."

USA Cable Nework made a successful transition from a predominantly sports-oriented service (USA began as Madison Square Garden's network before being bought out by Time Inc., Paramount and MCA) to a broadbased network. This has attracted considerable attention from media buyers and has helped point up the apparent shortcomings of narrowcast programing in its appeal to advertisers.

Mike Samet, manager of media services at Benton & Bowles, says, "The ad-supported cable networks are still mass-oriented. Narrowcasting is not a reality. That's not a question of good or bad. The cable networks are chasing after advertising dollars, and advertising dollars go to the broadest programing."

Is narrowcasting dead before its time?

"People over the past five or six years may have been painting too pretty a picture of what narrowcasting could accomplish," says Reynolds of

Turner sales. "We feeble humans can't consume 100 different channels. The question really becomes: what do viewers want? We know what they want right now. We know what draws viewers — entertainment and sitcoms, news, movies, some PBS-type programing and, if we're all honest about it, X-rated movies late at night."

Adds Turner's Hogan, "Cable is television. It's a delivery system no more unique than the antennas Sears sells. We've offered narrowcast shows on WTBS in the past and they died. We offered an hour primetime of the BBC's best features during 1979. We sold them successfully going in, but we came up short on delivery of audience. The viewers rejected it. If we were to switch from our movie classics to BBC programing tomorrow, our share of audience would drop dramatically. It could turn out that the Cable News Networks is the last of the narrowcast networks."

What then is the magic formula for a successful cable programing venture? According to BBDO's Semsky, "The programing must be an alternative to network tv. It must be narrow in focus, but broad enough in appeal to be economically feasible. And it must be promoted well."

It is precisely the economics of narrowcasting which, according to Backer & Spielvogel's Leff, makes the concept unrealistic.

"The concept of narrowcasting is anathema to the financial underpinnings of broadcasting," says Leff.

"

The bottom line in cable is the programing, and people think it stinks. Subscribers are bailing out. Basic cable is boring and poorly produced . . . Tuning in a cable program is a last resort, right after Chinese checkers

— Steve Leff, Backer & Spielvogel

"

"By definition, narrowcasting means that the programer is aiming at a smaller audience.

"In turn, he will generate less revenue to reach them. Therefore, he can spend less money in his production, and the quality of that production is critical to the project's viability against the quality of regular network programs. As his quality is worse, the narrowcaster can appeal to fewer and fewer viewers. The process keeps winding down in a negative, self-fulfilling prophesy.

"I'm not saying cable is doomed. I'm just saying that in its present form it doesn't make much sense."

However, Leff's economic theory of narrowcasting does not make much sense to Jeffrey Reiss, president and ceo of The Cable Health Network, a new 24-hour "target-casted" lifestyle and health programing service that began cable-casting June 30.

"

Some programers in the business may not have the financial backing to stay in it long enough to reach profitability. There will be one or two failures this year. When that happens, I fear people will panic and begin to say that that's evidence cable isn't working

— Jay James, Doyle Dane Bernbach

"

"Mr. Leff must be the kind of media expert who would have predicted that there could never be a magazine devoted strictly to sports because the audience would be too small," says Reiss, the former president of Viacom's Showtime pay cable service. "The basic economics are this: the price people will pay to advertise in a science magazine is considerably higher on a per-reader basis than the price to run in a general interest magazine like *Reader's Digest*.

"The Cable Health Network has priced itself higher, as well, for the audience we will deliver. We are pricing for the delivered efficiencies. That premium pricing will allow us to do quality productions."

There are others in media who do not agree with Leff's doomsday view of the fate of narrowcasting.

Dave Martin, senior vp-broadcast media for Campbell-Ewald, whose agency has placed clients on both narrowcast and broad-based cable networks, says, "Narrowcasting is not dead. The concept has validity and the wiring of the nation continues even during a bad economic period.

"Narrowcasting allows an advertiser to take advantage of a specific opportunity in the new medium. It requires more thought, more work and more risk. If it works, though, there is nothing on the mass level that will parallel the opportunity of true narrowcasting to a target audience."

Jay James, vp-video technology and programing at Doyle Dane Bernbach, goes even further than Martin in his assessment predicting that the vertical or narrowcast networks will be the first to sell out their ad time.

"The flow of advertising dollars to cable networks will not be equal," says James. "One network will be very effective at delivering its audience and will be able to demonstrate that its programing and the commercials on it are effective with its audience. Once that happens, that network is in a seller's market and will sell out its inventory."

Who might that network be?

"It could very well be MTV, the all-music video service from Warner Amex," said James. "That is a valid concept. It is different. It is unlike anything on conventional tv. Even though it is in a relatively small number of homes, it is getting a decent rating. I think they'll be able to demonstrate a high involvement of their audience. Once they can prove it, advertisers will pounce on it.

"The vertical networks will be the first to sell out. A broad-based network like USA may ultimately sell out as well. It may be harder for USA to prove its audience loyalty, though, because it is programed for a lot of different audiences. Advertisers still say, 'Prove it to me,' and it is easier to prove audience loyalty on a vertical network."

James' predictions of future sellouts on advertising availabilities among some cable networks is tempered, however, by his prediction that at least one of the existing cable networks will declare bankruptcy this year.

"Some programers in the business may not have the financial backing to stay in it long enough to reach profitability," says James. "There will be one or two failures this year. When that happens, I fear that people will panic and begin to say that that's evidence cable isn't working. I don't believe that's the case. I think we can all see the shakeout coming. It's inevitable in new ventures of this magnitude."

> **"Madison Avenue is looking for something new under the sun. But what is cable? We are in the circulation business and advertisers want to reach as many households a possible. People over the past five or six years may have been painting too pretty a picture of what narrowcasting could accomplish. We feeble humans can't consume 100 different channels. The question really becomes: what do viewers want?**
>
> **— Farrell Reynolds, Turner Broadcasting System"**

James declined to identify the cable networks he believes will fold this year.

Few other media experts agree with James' bankruptcy prediction. Instead, as Martin of Campbell-Ewald says, there will be a re-casting of narrowcast programing under new network umbrellas, and the shakeout process will lead to the development of new cross-media selling packages.

"The cable programing services are not going to fail," says Martin. "Instead, the shakeout process will result in a combining of programing services on previously vertically programed networks. ESPN, for example, might not remain as we know it — an all sports network — but might become more of a mix of the best combinations of narrowcast programing.

"The shakeout may also lead to a greater need for mixing and matching of media services. For instance, Time Inc., if it emerges as the dominant partner at USA, will put together packages transcending traditional media lines. A buy on USA may include a buy in *Time* magazine or another Time Inc. publication. The selling packages can be combined across media lines until the best mix is found for that particular advertiser.

"I have already had offers tying in magazine options to support a cable tv show. It is unsophisticated in its approach now, but it does offer a different method for evaluating the buy.

"But it creates a basic problem: who inside the media department decides? Is it a cable buy? A print buy? Who decides?"

The prospects for a cable programing network bankruptcy has other implications for media buyers. Most major ad agencies are directing their clients into long-term commitments to particular programs. The multi-year buys allow the advertiser to lock in costs at introductory levels, no matter how well or poorly the program may perform. The cornerstone to the long-term buy, however, is the presumption that the program and the programing service will be alive throughout the length of the contract.

"We look at four basic elements when we consider making a cable buy," says Benton & Bowles' Samet. "First we look at their advertising revenues. Second, we want to know their subscriber growth pattern. Next, can we project on the performance of the program? And finally, will the programing service survive?

"We don't want to make a longterm buy on a property that may not be around longterm. Who are the players involved?

"Does it have proper capitalization? When we make a buy, we want something beyond a single program. We want something that will go on more than a day, or a week or a year."

For some agencies, making the long-term buy is a basic criterion for getting an advertiser into cable.

Charles Bachrach, senior vp-associate broadcast director at Ogilvy & Mather, says, "We have four criteria for advertising in cable. First, we want a long-term, multi-year deal. That is the rule, not the exception. Second, we will provide seed money for new programing ventures, but there must be a pay-out for our clients somewhere down the road.

"Third, we want to own the program and not just make scatter buys. And finally, the cable program must represent an opportunity not already available through regular broadcast television."

Bachrach says O&M has placed cable buys into the regular media planning process, but he cautions against diving head first into the cable waters.

"Everyone in media is running to this fog, this maze called cable," says Bachrach. "We should all be crawling, not running. Agencies are buying headlines when they buy cable. It is a headline buy, not a media buy."

> **"The advertising-supported cable networks are still mass-oriented. Narrowcasting is not a reality. That's not a question of good or bad, just what is. The cable networks are chasing after advertising dollars, and advertising dollars go to the broadest programing . . .**
>
> **— Mike Samet, Benton & Bowle"**

BBDO's Semsky disagrees with Bachrach. "The only ones buying headlines," says Semsky, "are the ones accusing others of trying to buy headlines. How are you supposed to find the opportunities in cable unless you're in the game?"

Craig Reiss

THE TOP 200 BRANDS

11th ANNUAL REPORT on national advertising expenditures by each brand in each of eight major media in 1981 and 1980

Key advertising decision makers for each brand in company marketing and agency media departments

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Alphabetical index of the 200 most-advertised brands in the U.S.

Total expenditures of the Top 200 in 1978, 1979, 1980 and 1981

Analysis of major trends among the Top 200 Brands

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Introduction to Top 200 Advertised Brands Directory

This report is the eleventh annual report by *Marketing & Media Decisions* of major brand activity, brand expenditures in each of the eight major media and the key media decision-makers for each brand in the company and at their advertising agencies. Almost half the total dollars invested by national advertisers in the eight major national media (magazines, supps, newspapers, network tv, spot tv, network radio, spot radio, outdoor) are covered.

Immediately below is an alphabetical index of brands giving the numerical position of each brand, ranked in order of total expenditures in two sections of the report. The first section shows brand, parent company, categories in which the brand spent most of its dollars, and total expenditures in each year 1978, 1979, 1980, 1981.

The second section gives individual media expenditures for each brand in 1980 and 1981, categories in which brand was most active (as defined by Leading National Advertisers), principal agencies, media decision-makers in companies and agencies.

The data is a special compilation by *Decisions* of best available expenditure estimates by Leading National Advertisers (LNA), Publishers Information Bureau (PIB), Broadcast Advertisers Reports (BAR), Media Records, Inc., Radio Expenditure Reports (RER), Radio Advertising Bureau (RAB), Institute of Outdoor Advertising and *Decisions* estimates. We have organized the data by basic brand names and combined variations of brand to make as complete a report as possible of competitive brand dollars.

Alphabetical index of brands and brand profiles

ABC	75	Dodge	19	Levi's	123	RCA	25
AT&T/Bell	5	Dr Pepper	175	Lincoln	184	Ragu	177
Aim	151	Dristan	116	Lipton	65	Red Lobster	100
Alka-Seltzer	131	Du Pont	52	Long John Silver	143	Renault	190
Allstate	130	Duncan Hines	136	Lowenbrau	134	Revlon	91
American Airlines	40	Duracell	180	Luv's	162	Safeway	120
American Dairy	159	Eastern Airlines	47	Lysol	155	Salem	31
American Express	35	Eveready	112	Marlboro	23	Sanka	106
American Motors	87	Excedrin	149	Mattel	49	Schlitz	90
Amtrak	187	Exxon	50	Maxwell House	41	Seagram's	55
Anacin	45	Federal Express	154	Maybelline	89	Sears	1
Aqua-fresh	126	Florida Citrus	165	Mazda	101	Seven-Up	56
Bayer	108	Folger's	97	McDonald's	9	Shell	127
Benson & Hedges	63	Ford	4	Mennen	174	Silkience	132
Betty Crocker	137	Franklin Mint	103	Mercury	43	Sony	85
Bic	192	Fresh Start	194	Merit	16	Stayfree	160
Birds Eye	92	Gallo	129	Michelob	44	Stouffer's	171
Brim	188	GE	17	Midas	156	Subaru	128
Budweiser	20	General Motors	64	Miller	13	TWA	57
Bufferin	141	Gaines	181	Milton Bradley	124	Tab	173
Buick	42	Gillette	76	Minolta	167	Taster's Choice	166
Burger King	32	Goodyear	95	Minute Maid	170	Texaco	115
Busch	193	Gulf	139	Mobil	104	Tide	152
CBS TV/Radio	80	Hallmark	196	More	46	Time-Life	79
Cadillac	60	Hanes	200	NBC	74	Topol	197
Cambridge	111	Hawaiian Punch	153	Nabisco	81	Toyota	10
Camel	68	Head & Shoulders	163	Natural Light	145	Triumph	169
Campbell's	117	Hershey	140	Nestle's	71	True	182
Canon	72	High Point	125	Newport	142	True Value	118
Carlton	83	Holiday inn	172	Now	66	TV Guide	179
Century/21	158	Honda	28	Oil of Olay	58	Tylenol	59
Cheerios	195	IBM	78	Oldsmobile	29	20th Century	121
Chef Boy-Ar-Dee	183	Ivory	110	Pabst	135	U.S. Army	114
Chevrolet	7	Jell-O	69	Pampers	147	United Airlines	34
Chrysler	15	Johnson's (J&J)	67	Paramount	150	United Artists	99
Clairol	36	Johnson's (S.C.)	161	Penney	3	Universal City	93
Clorox	94	K-Mart	2	Pepsi-Cola	27	Vantage	24
Coca-Cola	37	K-Tel	157	Pert	198	Vicks	73
Colgate	86	Kal Kan	191	Phillips	138	Virginia Slims	77
Columbia Pictures	53	Kellogg's	12	Pillsbury	62	Volkswagen	30
Columbia Records	107	Kenner	119	Pizza Hut	109	Walt Disney	168
Comtrex	164	Kent	26	Playtex	96	Wards	6
Coors	84	Kentucky Fried	61	Plymouth	82	Warner	70
Cover Girl	113	Kleenex	144	Polaroid	51	Wendy's	98
Crest	39	Kodak	21	Pontiac	33	Whirlpool	186
Crisco	133	Kool	146	Post	38	Winston	18
Datsun	14	Kool-Aid	105	Prep H	185	Woolco	8
De Beers	189	Kotex	102	Prudential	199	Wrigley	48
Delta	54	Kraft	11	Purina	22	Xerox	88
Dial	122	L'eggs	178	Quaker	176	Zenith	148

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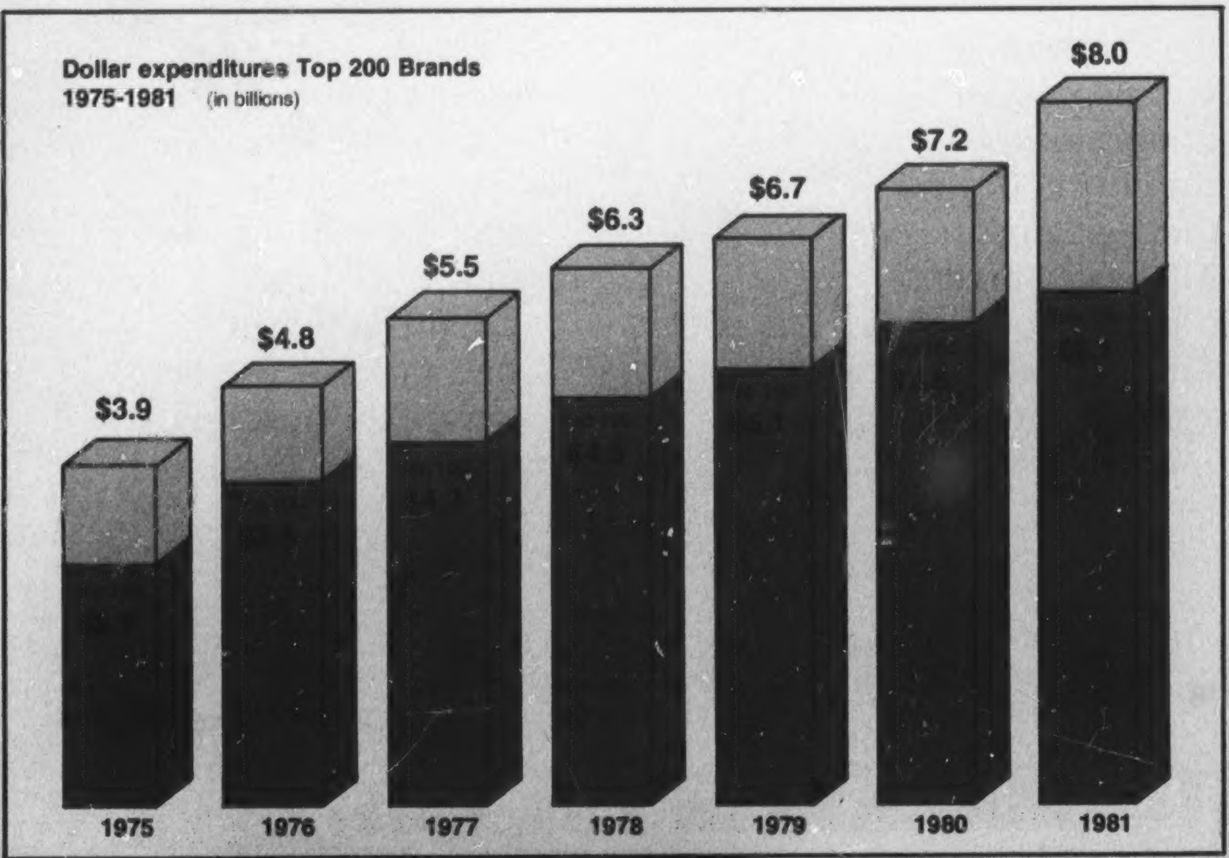
Trends among top 200 brands

Budget boosts among the top 200 brands in 1981 was 10% on average. This was less than in the pre-recession years of 1976 (up 27.5%), 1977 (up 17%), 1978 (up 15%) among the most advertised brands. But it was about the same as in 1979 and 1980. The increase in media expenditures of the top 200 more than matched price increases — budgets up 11.7%, prices up 9.3%. This represented a small, real increase in amount of advertising used. It represented more than a holding action (at higher prices) in a doubtful year over-all, with most advertisers going ahead boldly — some holding back.

20 brands were added to the top 100 list in 1981. They were: Amtrak, Bic, Cheerios, Comtrex, Eveready, De Beers, Duracell, Federal Express, Fresh Start, Hanes, Hawaiian Punch, Kal Kan, Hershey, Mennen, Newport, Paramount, Prudential, Silkience, Taster's Choice, Topol. Among them were four (Cheerios, Paramount, Taster's Choice, Hawaiian Punch) that had been on the list in previous years, but were drop-outs in 1980.

Entry fee required to be listed as one of the top 200 advertised brands rose from $13,658,000 in 1980 to $14,332,000 in 1981. The average increase to make the list was 5% over the year before.

Ten leaders stayed at the top of the list, with minor shifts in position. Of the top 25, 22 were the same in 1981 as in 1980. Moving down the list, but still within the top 31 were Salem, Kent and Pepsi. Their replacements in the top 25 were Winston, RCA and Dodge. Leading the pack were the five largest chains, four domestic automotive leaders (Ford, Chevrolet, Chrysler, Dodge), two auto importers (Toyota and Datsun), food and drink marketers (McDonald's, Kraft, Kellogg, Miller, Budweiser, Ralston), cigarettes


Dollar expenditures Top 200 Brands 1975-1981 (in billions)

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Trends among top 200 brands

(Merit, Winston, Marlboro, Vantage), appliances (GE and RCA), AT&T, Kodak.

The drop-outs in 1981 were: Alberto, Arco, Black & Decker, Blue Cross, Bounce, Carte Blanche, Contac, Dexatrim, Doral, Downy, Fiat, Ken-L Ration, Oscar Mayer, Parker Bros., Porcelana, Secret, Swift, Texize, Timex, Viceroy. Seven of the drop-outs were in-and-outers — they had come on the list in 1980, then dropped out in 1981: Arco, Black & Decker, Carte Blanche, Dexatrim, Doral, Oscar Mayer, Porcelana.

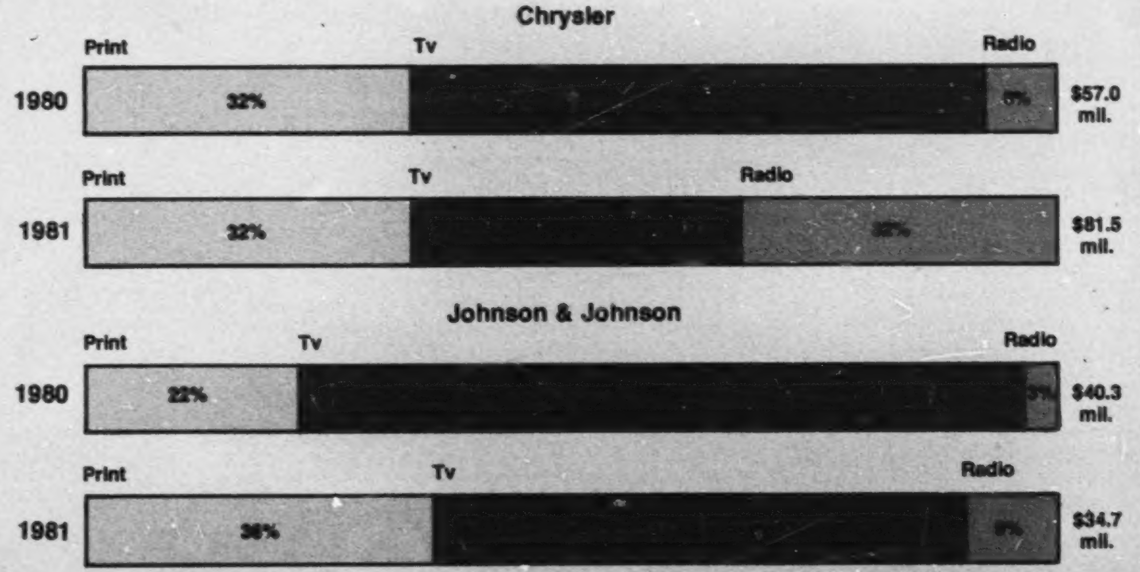
Conspicuous by their absence were the giant financial advertisers (the insurance companies, banks, diversified Wall Street houses). Only two were among the top 200 advertisers: Allstate and Prudential. If the current rate of activity in the financial markets continues, there will be more of them in the top 200 in 1982.

Share of total expenditures in the eight major media that the top 200 brands accounted for in 1981 was 46%. The eight media total for the top 200 was $8,028,258,000. Expenditures in national time and space in the eight media by all advertisers was $17,102,000,000. If you get even more exclusive and just look at the top 100 brands, you get an eight media expenditure of $6,087,803,000 — about 35% of all dollars in those national media.

What's a brand? We'll never get everybody to agree on what should be defined as a brand, but we're getting closer. This is the eleventh annual top brand expenditure report, and it's accepted now as official. We have also over the years incorporated reader requests into the reports. The basic definition we go by is "all advertising put behind a brand name:" Post cereals, for example, out of General Foods; the varied food products marketed under the Kraft label; the paints, apparel, fabrics, auto accessories and other manufactured products sold under the Du Pont banner; everything advertised as a Sears product; many types of insurance; but Camel cigarettes by itself (R. J. Reynolds)

Large budget jumps were made by Michelob (plus 33%), Mattel (plus 68%), Exxon (plus 113%), Sony (plus 55%), Mobil (plus 37%), Silkience (plus 66%), Hershey (plus 25%), Newport (up 186%), Federal Express (up 107%).

Contrasting media strategies in 1981 vs 1980



Top 200 Millionaire Brands 1978-1979-1980-1981

BRAND NAME (AND PARENT COMPANY)	CLASSIFICATION	1978	1979	1980	1981
1. **Sears** (Sears Roebuck)	Retail	$ 501,450,000	$ 405,835,000	$ 474,390,000	$ 505,372,000
2. **K-Mart** (K-Mart)	Retail	231,245,000	244,365,000	274,495,000	301,096,000
3. **Penney's** (J.C. Penney)	Retail	245,623,000	250,979,000	249,754,000	269,621,000
4. **Ford** (Ford Motor)	Cars, trucks	163,184,000	175,264,000	197,763,000	223,505,000
5. **AT&T/Bell**	Communications	68,359,000	93,050,000	136,515,000	171,783,000
6. **Wards** (Mobil Corp.)	Retail	149,794,000	159,821,000	166,600,000	170,940,000
7. **Chevrolet** (General Motors)	Cars, trucks	150,924,000	161,123,000	138,741,000	156,465,000
8. **Woolco** (F.W. Woolworth)	Retail	113,416,000	131,886,000	135,285,000	141,796,000
9. **McDonald's** (McDonald's Corp.)	Restaurants	118,016,000	142,569,000	130,862,000	134,046,000
10. **Toyota** (Toyota Motors)	Cars, trucks	70,110,000	67,203,000	91,797,000	121,232,000
11. **Kraft** (Dart-Kraft)	Cooking, dairy, prepared foods	72,192,000	74,470,000	77,[illegible]5,000	96,902,000
12. **Kellogg's** (Kellogg Co.)	Cereals	67,293,000	79,528,000	[illegible]	90,696,000
13. **Miller** (Philip Morris)	Beer	50,444,000	59,237,000	76,23[illegible],000	86,108,000
14. **Datsun** (Nissan Motors)	Cars, trucks	61,818,000	65,477,000	65,711,000	82,529,000
15. **Chrysler** (Chrysler Corp.)	Cars	55,592,000	47,170,000	57,035,000	81,515,000
16. **Merit** (Philip Morris)	Cigarettes	43,806,000	51,777,000	55,640,000	75,228,000
17. **GE** (General Electric)	Appliances, radio tv	52,944,000	62,701,000	71,896,000	69,998,000
18. **Winston** (R.J. Reynolds)	Cigarettes	38,573,000	59,230,000	48,344,000	67,655,000
19. **Dodge** (Chrysler Corp.)	Cars	75,396,000	62,640,000	50,271,000	67,067,000
20. **Budweiser** (Anheuser-Busch)	Beer	28,719,000	36,518,000	49,032,000	67,037,000
21. **Kodak** (Eastman Kodak)	Cameras, film	53,325,000	60,090,000	54,400,000	65,126,000
22. **Purina** (Ralston Purina)	Pet foods, feeds, pest control	62,394,000	76,890,000	78,824,000	63,905,000
23. **Marlboro** (Philip Morris)	Cigarettes	43,180,000	45,388,000	48,678,000	59,356,000
24. **Vantage** (R.J. Reynolds)	Cigarettes	30,269,000	46,176,000	56,689,000	58,393,000
25. **RCA** (RCA)	Tv sets, records	34,582,000	30,541,000	31,695,000	57,687,000

Sources

Consumer magazines and supps: data summarized from the PIB Magazine Analysis prepared by Leading National Advertisers (LNA) of actual linage run in those media. Expenditures are based on current one-time gross rates before discounts. Rates for national full-run insertions are based on ad size and coloration. Rates for regional and less than full-run insertions are determined by LNA editors on circulation and rates supplied by the magazines. Covered are almost 100 consumer magazines and three national supps, plus tear sheets of over 1,500 regional editions a year.

Newspapers: data compiled by Media Records, which measured every ad in 221 daily and Sunday newspapers. Actual linage is multiplied by the one-time general open line rate as of January 1981. Dollar estimates include newspaper supps, preprinted inserts, comics, rotogravure, all color ads. Data is estimated to cover 82% of national newspaper linage. *Marketing & Media Decisions* has added estimates of local expenditures in newspapers by the five leading chain retailers because the extent of their operations makes their brands, in effect, "nationally" advertised as well as distributed.

Network tv and network radio: data secured by Broadcast Advertisers Reports (BAR), which monitors all network broadcasts except those of the Mutual radio network. Material is collected on audio tape and then translated into a sequential listing. Network tv and network radio rates are based on estimates provided by the three networks of per-minute cost for time and talent.

Spot tv: data secured by Broadcast Advertisers Reports (BAR) from listening posts in 75 top markets that monitor 278 stations for one week each month. These weekly records are projected to estimates of monthly spot tv usage. Spot tv rates are applied from a station rate deck that is constantly updated by agency buyers. The estimates represent about 90% of the dollars in spot tv.

Spot radio: data generated by Radio Expenditure Reports (RER) is calculated from a sample of 800 stations in 150 markets. RER's sources are 11 radio reps handling station groups which supply quarterly computer runs by station, by market, by brand of spots aired — plus similar reports from stations in 150 markets. Expenditures are projected to an adjusted national gross figure based on a formula provided by Radio Advertising Bureau (RAB). Estimates cover about 80% of total national spot radio.

Outdoor: data is based on information submitted to Leading National Advertisers (LNA) at the request of the Institute of Outdoor Advertising by outdoor plant operators in markets of 100,000 population or over. Covered is about 80% of total national outdoor advertising expenditures.

Brand dollar estimates are retabulated by *DECISIONS* by major brand name from the data just described. This represents the one place where the data from all these sources are presented together. The brand data in greater detail is also available from each of the organizations that compile the data. Leading National Advertisers publishes detailed listings of the information on magazines, supps, network tv, spot tv, network radio, and outdoor. References to LNA classifications are provided throughout this report for further reference in LNA's reports: Company/Brand $; Class/Brand $.

Top 200 Millionaire Brands 1978-1979-1980-1981

BRAND NAME (AND PARENT COMPANY)	CLASSIFICATION	1978	1979	1980	1981
26. **Kent** (Loews)	Cigarettes	$ 42,184,000	$ 55,205,000	$ 56,063,000	$ 55,276,000
27. **Pepsi-Cola** (PepsiCo)	Soft drinks	45,819,000	57,186,000	55,001,000	53,751,000
28. **Honda** (American Honda Motors)	Cars, cycles	31,645,000	26,592,000	36,557,000	52,140,000
29. **Oldsmobile** (General Motors)	Cars	33,904,000	29,195,000	41,673,000	52,062,000
30. **Volkswagen** (Volkswagenwerk)	Cars, trucks	33,395,000	30,915,000	46,063,000	50,476,000
31. **Salem** (R.J. Reynolds)	Cigarettes	39,620,000	48,193,000	66,831,000	48,811,000
32. **Burger King** (Pillsbury)	Restaurants	36,607,000	45,109,000	45,075,000	48,797,000
33. **Pontiac** (General Motors)	Cars	39,565,000	37,686,000	36,664,000	48,698,000
34. **United Airlines** (UAL)	Passenger travel	40,467,000	37,008,000	47,377,000	47,497,000
35. **American Express** (Amer. Ex.)	Financial, travel	36,999,000	33,811,000	37,723,000	47,310,000
36. **Clairol** (Bristol-Myers)	Hair products, toiletries	53,338,000	59,737,000	47,487,000	46,944,000
37. **Coca-Cola** (Coca Cola Co.)	Soft drinks	40,956,000	46,364,000	44,988,000	46,879,000
38. **Post** (General Foods)	Cereals	32,077,000	28,298,000	33,390,000	45,956,000
39. **Crest** (Procter & Gamble)	Toothpaste	23,144,000	26,682,000	28,649,000	45,888,000
40. **American** (American Airlines)	Passenger travel	25,267,000	29,132,000	41,958,000	45,661,000
41. **Maxwell House** (General Foods)	Coffee	34,011,000	51,011,000	45,090,000	45,609,000
42. **Buick** (General Motors)	Cars	45,618,000	36,114,000	39,931,000	45,216,000
43. **Mercury** (Ford Motors)	Cars	34,446,000	30,870,000	45,534,000	45,107,000
44. **Michelob** (Anheuser-Busch)	Beer	19,061,000	33,765,000	33,623,000	44,847,000
45. **Anacin** (Amer. Home Products)	Medicines	34,290,000	39,671,000	43,513,000	44,641,000
46. **More** (R.J. Reynolds)	Cigarettes	17,303,000	12,178,000	16,449,000	44,106,000
47. **Eastern** (Eastern Airlines)	Passenger travel	22,326,000	29,126,000	40,182,000	43,486,000
48. **Wrigley** (Wm. Wrigley Jr.)	Gum	40,415,000	43,516,000	35,617,000	43,275,000
49. **Mattel** (Mattell Inc.)	Toys	27,615,000	26,267,000	25,436,000	41,782,000
50. **Exxon** (Exxon Inc.)	Gasoline, oil, tires	28,592,000	15,228,000	19,549,000	41,512,000
	Top 50 totals	**$3,441,312,000**	**$3,598,787,000**	**$3,914,197,000**	**$4,460,785,000**

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51. **Polaroid** (Polaroid)	Cameras, film	$ 40,955,000	$ 38,241,000	$ 37,334,000	$ 40,527,000
52. **Du Pont** (E.I. duPont)	Paint, fabrics, auto access.	19,423,000	34,166,000	40,609,000	39,985,000
53. **Columbia** (Columbia Pictures)	Motion pictures	14,249,000	24,073,000	36,317,000	39,831,000
54. **Delta** (Delta Airlines)	Passenger travel	26,370,000	29,832,000	34,897,000	39,772,000
55. **Seagram's** (Seagram)	Liquor	41,627,000	43,151,000	42,366,000	39,128,000
56. **Seven-Up** (Philip Morris)	Soft drinks	21,528,000	28,589,000	31,927,000	37,923,000
57. **TWA** (Trans World Airlines)	Passenger travel	23,422,000	25,887,000	34,492,000	37,269,000
58. **Oil of Olay** (Richardson-Vicks)	Cosmetics	18,096,000	15,542,000	31,738,000	37,171,000
59. **Tylenol** (Johnson & Johnson)	Medicines	16,988,000	23,670,000	26,495,000	36,766,000
60. **Cadillac** (General Motors)	Cars	17,856,000	23,650,000	25,137,000	36,669,000
61. **Kentucky Fried Chicken** (Heublein)	Restaurants	29,511,000	32,633,000	30,998,000	36,551,000
62. **Pillsbury** (Pillsbury)	Bakery, cooking, prepared foods	28,878,000	39,615,000	32,834,000	36,480,000
63. **Benson & Hedges** (Philip Morris)	Cigarettes	30,056,000	30,630,000	30,773,000	35,871,000
64. **General Motors** (General Motors)	Corporate	31,360,000	50,624,000	39,554,000	35,211,000
65. **Lipton** (Thom. J. Lipton, Inc.)	Prepared foods, beverage, cooking	22,060,000	27,566,000	30,933,000	35,111,000
66. **Now** (R.J. Reynolds)	Cigarettes	9,313,000	10,057,000	45,578,000	35,002,000
67. **J&J** (Johnson Baby Prods.)	Baby products	35,180,000	35,734,000	40,298,000	34,704,000
68. **Camel** (R.J. Reynolds)	Cigarettes	34,049,000	40,679,000	31,165,000	34,269,000
69. **Jell-O** (General Foods)	Desserts	21,374,000	28,073,000	28,897,000	34,009,000
70. **Warner** (Warner Communications)	Amusements	21,670,000	21,792,000	32,766,000	33,481,000

Top 200 Millionaire Brands 1978-1979-1980-1981

BRAND NAME (AND PARENT COMPANY)	CLASSIFICATION	1978	1979	1980	1981
71. **Nestle's** (Nestle)	Confectionery, beverages, cooking	$ 42,207,000	$ 46,169,000	$ 34,501,000	$ 33,278,000
72. **Canon** (Canon Inc.)	Cameras	11,816,000	18,012,000	28,244,000	33,225,000
73. **Vicks** (Richardson-Vicks)	Medicines	22,588,000	21,679,000	23,509,000	32,565,000
74. **NBC** (RCA Corp.)	Tv, radio stations	21,367,000	26,533,000	33,285,000	32,515,000
75. **ABC** (American Broadcasting)	Tv, radio stations	28,890,000	31,572,000	36,972,000	32,145,000
76. **Gillette** (Gillette)	Personal hygiene, hair care	30,174,000	31,160,000	34,135,000	31,885,000
77. **Virginia Slims** (Philip Morris)	Cigarettes	10,366,000	19,882,000	21,078,000	31,523,000
78. **IBM** (Intl. Business Machines)	Office machines	21,485,000	26,567,000	24,427,000	31,215,000
79. **Time-Life** (Time, Inc.)	Books, records, magazines	31,595,000	41,563,000	28,219,000	30,879,000
80. **CBS** (CBS, Inc.)	Tv, radio stations	22,233,000	30,729,000	30,033,000	30,635,000
81. **Nabisco** (Nabisco)	Bakery, prepared foods, confectionery	22,349,000	24,662,000	27,317,000	30,508,000
82. **Plymouth** (Chrysler Corp.)	Passenger cars	40,405,000	18,265,000	28,606,000	30,397,000
83. **Carlton** (American Brands)	Cigarettes	20,041,000	33,402,000	30,433,000	30,257,000
84. **Coors** (Adolph Coors Co.)	Beer	12,006,000	18,017,000	24,738,000	29,819,000
85. **Sony** (Sony Corp.)	Tv sets, phonographs	12,727,000	20,610,000	19,247,000	29,697,000
86. **Colgate** (Colgate-Palmolive)	Personal hygiene, soaps, polishes	21,567,000	26,097,000	23,387,000	29,691,000
87. **American** (Amer. Motors)	Passenger cars	44,781,000	48,971,000	31,148,000	29,588,000
88. **Xerox** (Xerox Corp.)	Office machines	17,218,000	15,165,000	21,148,000	29,532,000
89. **Maybelline** (Schering-Plough)	Cosmetics	22,743,000	25,657,000	26,245,000	29,473,000
90. **Schlitz** (Jos. Schlitz)	Beer	40,910,000	44,292,000	28,817,000	29,402,000
91. **Revlon** (Revlon)	Cosmetics, hair care	27,526,000	29,547,000	28,940,000	28,871,000
92. **Birds Eye** (General Foods)	Fruits, vegetables, prepared foods	20,883,000	24,885,000	20,276,000	28,237,000
93. **Universal City** (MCA, Inc.)	Motion pictures	21,075,000	20,753,000	30,939,000	27,598,000
94. **Clorox** (Clorox Co.)	Laundry preparations	17,118,000	16,612,000	18,611,000	27,578,000
95. **Goodyear** (Goodyear)	Tires	17,937,000	20,458,000	18,947,000	27,570,000
96. **Playtex** (Esmark)	Bras, girdles, feminine hygiene	28,813,000	19,922,000	19,078,000	27,469,000
97. **Folger's** (Procter & Gamble)	Coffee	31,903,000	34,392,000	27,676,000	27,209,000
98. **Wendy's** (Wendy's International)	Restaurants	19,402,000	20,249,000	20,555,000	26,375,000
99. **United Artists** (Transamerica Corp.)	Motion pictures	11,892,000	20,097,000	14,168,000	26,338,000
100. **Red Lobster** (General Mills)	Restaurants	11,490,000	13,957,000	17,882,000	25,814,000
	Top 100 totals	**$4,650,784,000**	**$4,922,867,000**	**$5,371,866,000**	**$6,087,803,000**
101. **Mazda** (Toyo Kogyo)	Cars, trucks	$ 20,599,000	$ 28,427,000	$ 30,918,000	$ 25,552,000
102. **Kotex** (Kimberly-Clark)	Feminine hygiene	14,660,000	12,012,000	25,072,000	25,336,000
103. **Franklin Mint** (Franklin Mint)	Mail order	18,877,000	18,791,000	23,503,000	25,258,000
104. **Mobil** (Mobil Oil)	Gasoline, oil	19,250,000	17,948,000	18,392,000	25,245,000
105. **Kool-Aid** (General Foods)	Soft drinks	21,293,000	23,264,000	22,254,000	24,951,000
106. **Sanka** (General Foods)	Coffee	14,241,000	21,552,000	33,428,000	24,769,000
107. **Columbia** (CBS)	Records	31,674,000	29,154,000	29,918,000	24,655,000
108. **Bayer** (Sterling Drug)	Medicines	22,510,000	25,072,000	23,519,000	24,650,000
109. **Pizza Hut** (PepsiCo)	Restaurants	14,335,000	14,411,000	18,262,000	24,574,000
110. **Ivory** (Procter & Gamble)	Soaps	24,457,000	27,811,000	26,584,000	24,563,000
111. **Cambridge** (Philip Morris)	Cigarettes	—	31,863,000	31,860,000	24,542,000
112. **Eveready** (Union Carbide)	Batteries	10,650,000	21,529,000	23,285,000	24,475,000
113. **Cover Girl** (Noxell)	Cosmetics	19,579,000	22,632,000	24,042,000	24,333,000
114. **U.S. Army** (U.S. Army Recruit. Serv.)	Recruitment	13,405,000	16,680,000	21,134,000	24,239,000
115. **Texaco** (Texaco)	Gas, oil	13,768,000	14,660,000	21,975,000	24,095,000

Top 200 Millionaire Brands 1978-1979-1980-1981

BRAND NAME (AND PARENT COMPANY)	CLASSIFICATION	1978	1979	1980	1981
116. **Dristan** (Amer. Home Products)	Medicines	$ 20,086,000	$ 24,262,000	$ 21,186,000	$ 23,796,000
117. **Campbell's** (Campbell Soup)	Prepared foods, vegetables	18,660,000	21,174,000	18,684,000	23,644,000
118. **True Value** (Cotter & Co.)	Hardware stores	11,462,000	19,394,000	20,676,000	23,602,000
119. **Kenner** (General Mills)	Toys	19,840,000	25,289,000	18,259,000	23,522,000
120. **Safeway** (Safeway Stores)	Retail	16,896,000	18,709,000	18,291,000	23,419,000
121. **20th Century** (20th Century-Fox)	Motion pictures	16,273,000	21,944,000	19,937,000	22,727,000
122. **Dial** (Greyhound Corp.)	Soap	5,696,000	14,124,000	17,694,000	22,660,000
123. **Levi's** (Levi-Strauss)	Apparel	14,165,000	29,437,000	28,736,000	22,598,000
124. **Milton Bradley** (Milton Bradley)	Games	11,697,000	26,664,000	20,708,000	22,309,000
125. **High Point** (Procter & Gamble)	Coffee	1,218,000	12,258,000	24,476,000	21,884,000
126. **Aqua-fresh** (Beecham)	Toothpaste	2,985,000	19,305,000	21,254,000	21,620,000
127. **Shell** (Shell Oil)	Gasoline, oil	16,243,000	23,427,000	17,743,000	21,466,000
128. **Subaru** (Fuji Industries)	Passenger cars	11,305,000	17,271,000	15,914,000	21,422,000
129. **Gallo** (E&J Gallo)	Wines	14,883,000	16,859,000	22,163,000	21,293,000
130. **Allstate** (Sears Roebuck)	Insurance	18,541,000	18,953,000	20,990,000	21,280,000
131. **Alka-Seltzer** (Miles Labs.)	Medicines	21,431,000	24,259,000	19,502,000	21,180,000
132. **Silkience** (Gillette Co.)	Lotion	6,063,000	12,587,000	12,589,000	20,912,000
133. **Crisco** (Procter & Gamble)	Cooking products	15,806,000	17,175,000	21,486,000	20,885,000
134. **Lowenbrau** (Philip Morris)	Beer	16,483,000	17,242,000	19,522,000	20,788,000
135. **Pabst** (Pabst Brewing)	Beer	19,980,000	18,586,000	19,842,000	20,755,000
136. **Duncan Hines** (Procter & Gamble)	Baking mixes	18,177,000	12,642,000	17,135,000	20,648,000
137. **Betty Crocker** (General Mills)	Prepared foods	39,935,000	34,364,000	22,470,000	20,628,000
138. **Phillips** (Phillips Petroleum)	Gasoline, oil	11,201,000	15,032,000	17,040,000	20,591,000
139. **Gulf** (Gulf Oil)	Gasoline, oil	14,245,000	11,375,000	17,262,000	20,552,000
140. **Hershey** (Hershey Foods)	Food ingredients, candy	9,404,000	13,940,000	15,466,000	20,372,000
141. **Bufferin** (Bristol-Myers)	Medicine	14,183,000	14,818,000	14,430,000	20,321,000
142. **Newport** (Loews Corp.)	Cigarettes	14,137,000	10,354,000	7,087,000	20,310,000
143. **Long John Silver** (Jerrico, Inc.)	Restaurants	6,798,000	12,391,000	16,054,000	20,166,000
144. **Kleenex** (Kimberly-Clark)	Paper products	8,756,000	11,137,000	14,669,000	20,036,000
145. **Natural Light** (Anheuser-Busch)	Beer	—	17,586,000	20,740,000	20,018,000
146. **Kool** (BAT Industries)	Cigarettes	33,851,000	28,849,000	31,755,000	19,886,000
147. **Pampers** (Procter & Gamble)	Infantwear	18,859,000	21,953,000	19,087,000	19,834,000
148. **Zenith** (Zenith Radio)	Radio, tv sets	18,295,000	18,748,000	17,319,000	19,785,000
149. **Excedrin** (Bristol-Myers)	Medicines	16,096,000	15,959,000	17,297,000	19,603,000
150. **Paramount** (Gulf & Western)	Motion pictures	13,493,000	19,676,000	10,001,000	19,561,000
	Top 150 totals	**$5,427,225,000**	**$5,906,416,000**	**$6,403,476,000**	**$7,203,113,000**
151. **Aim** (Lever Bros.)	Toothpaste	$ 13,825,000	$ 15,596,000	$ 16,031,000	$ 19,204,000
152. **Tide** (Procter & Gamble)	Detergent	16,477,000	17,912,000	17,312,000	18,713,000
153. **Hawaiian Punch** (R.J. Reynolds)	Soft drinks	11,814,000	10,708,000	12,480,000	18,639,000
154. **Federal Express** (Federal Express)	Air cargo	4,575,000	7,179,000	9,001,000	18,577,000
155. **Lysol** (Sterling Drug)	Disinfectant, cleaners	19,964,000	21,334,000	19,288,000	18,584,000

Top 200 Millionaire Brands 1978-1979-1980-1981

BRAND NAME (AND PARENT COMPANY)	CLASSIFICATION	1978	1979	1980	1981
156. **Midas** (IC Industries)	Auto accessories	$ 13,189,000	$ 15,205,000	$ 17,206,000	$ 18,563,000
157. **K-Tel** (K-Tel International)	Records, tapes, books	15,656,000	15,386,000	17,024,000	18,344,000
158. **Century/21** (Century/21)	Real estate	15,608,000	21,402,000	16,691,000	18,337,000
159. **American Dairy** (Amer. Dairy Assoc.)	Dairy products	12,800,000	15,229,000	16,974,000	18,324,000
160. **Stayfree** (Johnson & Johnson)	Feminine hygiene	12,120,000	12,695,000	14,420,000	18,250,000
161. **Johnson's products** (S.C. Johnson)	Cleaners, laundry products	15,455,000	14,309,000	16,986,000	18,030,000
162. **Luv's** (Procter & Gamble)	Infant wear	2,342,000	8,172,000	18,262,000	17,982,000
163. **Head & Shoulders** (Procter & Gamble)	Shampoos	10,299,000	13,081,000	15,685,000	17,813,000
164. **Comtrex** (Bristol-Myers)	Cold remedy	5,763,000	12,159,000	12,010,000	17,669,000
165. **Florida Citrus** (Flor. Citrus Comm.)	Fruits	13,971,000	12,798,000	16,746,000	17,356,000
166. **Taster's Choice** (Nestle)	Coffee	8,095,000	13,302,000	10,162,000	17,267,000
167. **Minolta** (Minolta Corp.)	Cameras	12,691,000	17,056,000	19,052,000	17,193,000
168. **Walt Disney** (Walt Disney Products)	Motion pictures, resorts	14,874,000	18,310,000	14,671,000	17,168,000
169. **Triumph** (Loews Corp.)	Cigarettes	208,000	25,473,000	23,710,000	17,032,000
170. **Minute Maid** (Coca-Cola Co.)	Fruit juices	12,788,000	14,498,000	17,196,000	16,897,000
171. **Stouffer's** (Nestle)	Foods	4,152,000	9,690,000	16,426,000	16,741,000
172. **Holiday Inn** (Holiday Inns, Inc.)	Hotel/motel	10,900,000	15,456,000	14,746,000	16,703,000
173. **TAB** (Coca-Cola Co.)	Soft drinks	8,660,000	13,799,000	13,856,000	16,691,000
174. **Mennen** (Mennen Co.)	Toiletries	8,015,000	11,231,000	14,066,000	16,577,000
175. **Dr Pepper** (Dr Pepper Co.)	Soft drinks	12,238,000	14,195,000	17,010,000	16,378,000
176. **Quaker** (Quaker Oats Co.)	Foods	6,763,000	17,878,000	18,215,000	16,289,000
177. **Ragu** (Chesebrough-Pond's)	Sauces	11,557,000	13,281,000	20,993,000	16,238,000
178. **L'eggs** (Consolidated Foods)	Hosiery	10,734,000	14,077,000	20,870,000	16,215,000
179. **TV Guide** (Triangle)	Magazines	16,380,000	18,889,000	17,110,000	16,202,000
180. **Duracell** (Dart & Kraft)	Batteries	7,757,000	9,954,000	13,991,000	16,093,000
181. **Gaines** (General Foods)	Pet foods	19,303,000	25,345,000	21,364,000	15,981,000
182. **True** (Loews)	Cigarettes	15,873,000	18,253,000	18,270,000	15,782,000
183. **Chef Boy-Ar-Dee** (Amer. Home Prod.)	Prepared foods	11,947,000	13,322,000	15,721,000	15,763,000
184. **Lincoln** (Ford Motor)	Passenger cars	18,690,000	13,427,000	23,440,000	15,680,000
185. **Preparation H** (Amer. Home Prods.)	Medicine	12,117,000	14,912,000	14,941,000	15,360,000
186. **Whirlpool** (Whirlpool Corp.)	Appliances	11,394,000	13,717,000	14,025,000	15,337,000
187. **Amtrak** (Natl. Rail Passenger Corp.)	Railroad	7,611,000	9,085,000	11,786,000	15,291,000
188. **Brim** (General Foods)	Coffee	4,496,000	13,745,000	17,445,000	15,256,000
189. **De Beers** (De Beers Con. Mines)	Diamonds	8,360,000	9,956,000	10,479,000	15,236,000
190. **Renault** (Renault USA)	Passenger cars	4,014,000	5,297,000	14,173,000	15,199,000
191. **Kal Kan** (Mars, Inc.)	Dog food	13,250,000	10,990,000	11,788,000	15,188,000
192. **Bic** (Bic Pen Co.)	Lighters, shavers	7,920,000	8,650,000	9,984,000	14,872,000
193. **Busch** (Anheuser-Busch)	Beer	20,821,000	20,085,000	18,840,000	14,675,000
194. **Fresh Start** (Colgate-Palmolive)	Detergent	7,057,000	6,970,000	11,904,000	14,641,000
195. **Cheerios** (General Mills)	Cereal	9,994,000	17,591,000	13,016,000	14,614,000
196. **Hallmark** (Hallmark Cards)	Greeting cards	5,605,000	13,287,000	13,658,000	14,541,000
197. **Topol** (Jeffrey Martin Co.)	Tooth polish	—	1,492,000	13,086,000	14,531,000
198. **Pert** (Procter & Gamble)	Hair care	—	672,000	16,614,000	14,444,000
199. **Prudential** (Prudential Ins. Co.)	Insurance	9,776,000	10,545,000	10,599,000	14,353,000
200. **Hanes** (Hanes Co.-Consol. Foods)	Hosiery	9,909,000	10,499,000	10,558,000	14,332,000
	Top 200 totals	**$5,955,032,000**	**$6,584,510,000**	**$7,183,357,000**	**$8,028,258,000**

Directory of Top 200 Millionaire Brands

Media expenditures in eight major media (magazines, supps, newspapers, network tv, spot tv, network radio, spot radio, outdoor) in 1980 and 1981 — Key media decision makers in companies and their agencies. These brands spend about 46% of total.

1.

SEARS

Sears, Roebuck and Co.

	media dollars 1980	media dollars 1981
Magazines	$ 51,232,000	$ 57,599,000
Supps	100,000	421,000
Newspapers	330,000,000	343,000,000
Network tv	60,000,000	73,205,000
Spot tv	17,000,000	9,304,000
Network radio	4,000,000	9,820,000
Spot radio	12,000,000	12,000,000
Outdoor	60,000	23,000
Total	**$474,390,000**	**$505,372,000**

Classification: all retail

Marketing/brand management:
Natl. ret. adv. mgr., David G. Slothower, media services mgrs., Bernie Miller (magazines, broadcast); Gerry Byrne (newspapers, supps); dir. of bdcst. John Beebe

Agencies: FC&B, New York
(Accessories, specialties)
Mgmt. supr., Bob Gregory
Sr. vp-dir. of media, Madeline Nagel

FC&B, Chicago
(Sporting goods, automotive products)
Sr. vp-mgmt. supr., Paul Vernon
Sr. vp-dir. of media, Greg Blaine

Ogilvy & Mather, Chicago
(Appliances, home fashions, corp. cred.)
Sr. vp-mgmt. supr., Jeffrey Woll
Vp-media dir., Bill Behrmann
Media supr. Sears Corp., Thos. P. Ball

JWT, Chicago
(Home improvements)
Sr. vp-mgmt. dir., Bob Westerfield
Sr. vp/media dir., Robert H. Irvine
Sr. vp-dir. med. res., Ron Kaatz

Stern Walters/Earle Ludgin, Chicago
(Catalog, commercial sales)
Sr. vp-mgmt. rep., Maryanne Friend
Sr. vp-media dir., Robert Walters

McCann-Erickson, Chicago
(Men's apparel)
Vp-mgmt. rep. Donald D. Effler
Vp-media dir., Mike White
Media services, Tyy Mattson

Vince Cullers Advertising, Chicago
(Black agency of record)
Pres. Vince Cullers

NW Ayer, Inc., Chicago
(Business Machine Stores)
Sr. vp-mgmt. supr., media director Robert Mickels

NH&S, Chicago
(Apparel group)
Exec. vp, mng. dir., Al Wolfe
Sr. vp-med. dir., David Drake

Hispania Advertising, Inc.
Sr. vp-gen. mgr., Caroline Demy

2.

K MART

K Mart Corp.

	media dollars 1980	media dollars 1981
Magazines	$ 9,912,000	$ 8,251,000
Supps	11,000	28,000
Newspapers	230,000,000	246,000,000
Network tv	5,060,000	11,800,000
Spot tv	18,201,000	22,349,000
Network radio	2,160,000	2,636,000
Spot radio	9,000,000	10,000,000
Outdoor	151,000	32,000
Total	**$274,495,000**	**$301,096,000**

Classification: all retail

Marketing/brand management:
Vp-mktg., R. R. Dejaeghere
Dir. of adv. & mktg., Edward J. Kreitz
Dir. advtg./sales prom., J. L. Moser
Sen. vp-retail operations, Pete Vetowich

Agency: Ross Roy, Detroit
Dir. creative advtg., R. Mazade
Sr. vp-mktg., Hal E. Rumble
Sr. vp-mktg. services, Gerald N. Moody
Vp-grp. media dir., Alfred A. Duz
Vp-grp. media dir.-bdcst., Patricia Cuda

3.

PENNEY'S

J. C. Penney

	media dollars 1980	media dollars 1981
Magazines	$ 5,084,000	$ 8,880,000
Supps	11,000	34,000
Newspapers	200,000,000	214,000,000
Network tv	18,579,000	25,556,000
Spot tv	14,649,000	12,954,000
Network radio	323,000	86,000
Spot radio	11,000,000	8,000,000
Outdoor	108,000	111,000
Total	**$249,754,000**	**$269,621,000**

Classification: all retail

Marketing/brand management:
Vp-dir. of corp. mktg., Howard M. Evans
Mgr. of mktg. comm., Lou Bremer
Mgr. media services, James F. Boynton
National media planner, Dave Wood
Proj. mgr., Stephen Brown-Pearn
Adv. mgr., John T. Lucas

Agency: McCaffrey & McCall, N.Y.C.
Sr. vp-grp. acct. mgr., William J. Vieser
Acct. exec., George Yager
Sr. vp-media dir., Harris Lefkon
Sr. vp-network & programing, Joseph Sutton
Network neg., John C. Giebel

The expenditures in the eight major national advertising media of the top 200 advertised brands represents about 46% of all dollars invested in those media. For more detailed information on how each brand spends its ad dollars and for how other brands (those with budgets totalling less than $14.3 million in the eight major media) split their budgets the sources are Leading National Advertisers, Broadcast Advertiser Reports, Media Records, and Radio Expenditure Reports.

4.

FORD cars & trucks

Ford Motor

	media dollars	
	1980	1981
Magazines	$ 27,721,000	$ 38,692,000
Supps	—	137,000
Newspapers	16,901,000	28,820,000
Network tv	91,821,000	83,019,000
Spot tv	38,658,000	35,629,000
Network radio	2,263,000	4,016,000
Spot radio	16,466,000	30,197,000
Outdoor	3,933,000	2,995,000
Total	**$197,763,000**	**$223,505,000**

Classifications: passenger cars (LNA T-110); trucks (LNA T-120)
Marketing/brand management:
Ford Division
General mktg. mgr., L. R. Miskowski
Adv. mgr., D. T. McClure
Corporate advtg., Joe Kordick
Car adv. mgr., R. J. Gillooly
Truck adv. mgr., B. Pate
Dealer adv. mgr., L. Cumbelich
Ford Tractor Operations
Mktg. mgr., John Chuchman
Adv./sales prom., A. Pridgeon
Agencies: JWT, Dearborn
(Ford Division)
Exec. vp.-gen. mgr., Joe Schulte O'Donnell
Sr. vp-media, Eugene J. McCarthy
Vp dir. (car), Howard P. Spokes
Dir. (truck), Ted Zahrfeld
Vp-bdcst. supr., Daniel Riordan
Meldrum & Fewsmith (Tractors)
Vp-acct. grp. supr., Owen R. Leffler
Acct. supr., J. C. Bryan
Acct. exec., Marshall A. Shencopp
Media dir., George Hay
Wells, Rich, Greene, Inc.
Sr. vp-acct. grp. head, Gary Kullberg
Vp-mgmt. supr., Ken Campbell
Sr. vp-corp. med. dir., Bob Geis
Vp-med. dir., Shel Jones
Young & Rubicam
(corporate-"Job No. 1")
Vp-grp. dir., Peter J. Harris
Vp-mgmt. supr., Philip Reuschle
Vp-media dir., E. Kendall Pool

5.

AT&T/BELL

	media dollars	
	1980	1981
Magazines	$ 28,713,000	$ 33,162,000
Supps	608,000	366,000
Newspapers	2,336,000	1,280,000
Network tv	53,471,000	68,927,000
Spot tv	50,767,000	59,725,000
Network radio	5,937,000	7,300,000
Spot radio	140,000	428,000
Outdoor	783,000	595,000
Total	**$136,515,000**	**$171,783,000**

Classifications: communications (LNA B-140); magazines (Yellow Pages) (LNA B-420)
Marketing/brand management:
Dirs., D. E. Hutchins (residence market & sales prom.; Yellow Pages); W. Weihe (business markets & sales prom.)
Div. mgrs., Jim Cline (Yellow Pages); R. R. Draper (bus. mkt.); Ed Swartz (residence mkt.); Tom Ruzicka (graphic design & corp. ident); Mark Geiger (corp.); Bill Horton (corp. exhibitions), Joe Waters (exhibits & displays)
Agencies: N. W. Ayer, New York
(Corporate/informative)
Exec. vp., Tom Maxie
Acct. supr., Lamar Lemonte
Sr. vp-media dir., Marcella Rosen
Exec. vp., Joe Dodson (long lines)
Vp-acct. supr., John Nichols (bus. sales); Joe Del Aquila (res. sales)
Vp-acct. suprs., Fred McClafferty (res. long lines), Jack Quigley (long lines)
Cunningham & Walsh, New York
(Yellow Pages)
Sr. vp-dir. media & mkgt. services, Frank McDonald
Vp-media supr., Stuart Brown
Sr. vp-mgmt. supr., Nathaniel Allan
Vp acct. supr., Tom Kirmayer
Acct. exec., Helen Murphy

6.

WARDS

Mobil Corp.

	media dollars	
	1980	1981
Magazines	—	$ 23,000
Supps	—	$139,000
Newspapers	$132,500,000	141,000,000
Network tv	—	122,000
Spot tv	26,000,000	20,613,000
Network radio	—	—
Spot radio	8,000,000	9,000,000
Outdoor	100,000	43,000
Total	**$166,600,000**	**$170,940,000**

Classification: all retail

Ford

It's in VOGUE®
The book women live by.

Marketing/brand management:
Asst. natl. ret. mdge mgt., John D. Flakne
Retail adv. mgr., operations, Eugene W. Schaefer
Media dir., Carol Brewster
Natl. ret. sls. prom. & adv. mgr., Alfred H. Lemke
Agencies: Lee King, Chicago
Partner/exec. vp-, John Tarini
Sr. vp-media dir., Armella Selsor
Media buy serv. CPM, Inc., Chicago
Pres., Norman M. Goldring
Exec. vp, Michael Willner
Exec. vp., L. Roger Casty
Dir. broadcast buying, Adrienne Alm
Bdcst. buy. mgr., Victoria Hubert
Print media mgr., Judy Mahan
Media Bureau, Int.
Pres., Richard Pickett
Vp, Norma Wren
Sr. media buyer, Ingrid Adott
Sr. print buyer, J. Snyder

7.
CHEVROLET cars & trucks
General Motors

	media dollars 1980	1981
Magazines	$ 15,061,000	$ 20,268,000
Supps	1,506,000	1,358,000
Newspapers	9,996,000	27,515,000
Network tv	53,362,000	59,239,000
Spot tv	31,107,000	28,399,000
Network radio	372,000	117,000
Spot radio	19,026,000	16,209,000
Outdoor	8,311,000	3,360,000
Total	$138,741,000	$156,465,000

Classifications: passenger cars (LNA T-110); trucks (LNA T-120)
Marketing/brand management:
Gen. dir. mktg., Thomas Staudt
Dir., natl. adv., Carl O. Uren
Mgr., passenger car adv., T. R. Chick
Mgr., truck & wagon adv., H. J. Cordes
Dir. mktg., E. P. Feely, Jr.
Agency: Campbell-Ewald, Detroit
Exec. vp-acct. dir., William J. Tausch
Sr. vp-assoc. acct. dir., Dick O'Neil
Sr. vp-assoc. acct. dir., Ron Mitchell
Sr. vp-mgmt. supr. (trucks), Thomas R. Boya
Vp-acct. supr. (trucks), W. D. Smith
Exec. vp-media dir., Thomas J. Glynn
Sr. vp-assoc. media dir., Louis Schultz
Vp (media), Jack Martin (autos)
Paul Hunt (trucks)
Vp-mgr. spot buying, Katharine Ostrander
Vp-mgr. network buying, Judith Sawyer

8.
WOOLCO
F. W. Woolworth

	media dollars 1980	1981
Magazines	$ 27,000	—
Supps	—	—
Newspapers	124,000,000	133,000,000
Network tv	—	—
Spot tv	4,258,000	1,796,000
Network radio	—	—
Spot radio	7,000,000	7,000,000
Outdoor	—	—
Total	$135,285,000	$141,796,000

Classification: all retail
Marketing/brand management:
Vp-merchandise, J. M. Evans
Vp-sales & adv., E. W. Kauffman
Dir. adv., George A. Inman
Mgr. bdcst. adv., E. A. Maguire
Agency: Sawdon & Bess, New York
Pres., Jerome Bess
Exec. vp-mgmt. supr., John Paul Jones
Vp-acct. supr., John F. Hilz
Media dir., John Prendergast
Bdcst. supr., Dorothy Smith

9.
McDONALD's
McDonald's Corp.

	media dollars 1980	1981
Magazines	$ 2,378,000	$ 178,000
Supps	—	—
Newspapers	(no data)	(no data)
Network tv	53,588,000	54,130,000
Spot tv	70,716,000	75,222,000
Network radio	42,000	3,255,000
Spot radio	953,000	1,632,000
Outdoor	3,185,000	3,629,000
Total	$130,862,000	$138,046,000

Classification: restaurants (LNA G-330)
Marketing/brand management:
Exec. vp of mktg., Paul D. Schrage
Asst. vp-adv. & prom., Roy Bergold
Asst. vp-field mktg., Dick Starmann
Dir. of mktg. devel., Stan Nicpon
Media supr., Kathy Kalber Kinsella
Vp-dir. mktg., Ray Caruso
Agency: Leo Burnett Co., Chicago
Sr. vp-media services, Kenneth Lane
Acct. dir., John Miller
Media director, Sally Hunter

10.
TOYOTA cars and trucks
Toyota Motors

	media dollars 1980	1981
Magazines	$ 7,014,000	$ 10,113,000
Supps	214,000	49,000
Newspapers	6,793,000	11,227,000
Network tv	22,945,000	25,550,000
Spot tv	49,259,000	67,979,000
Network radio	—	150,000
Spot radio	3,587,000	3,765,000
Outdoor	1,895,000	2,399,000
Total	$91,707,000	$121,232,000

Classifications: passenger cars (LNA T-110); trucks (LNA T-120)
Marketing/brand management:
Corp. mktg. mgr., Alvin E. Hagen
Advtg. programs mgr., Jack Collins
Adv. natl. mgr., James E. Press
Adv. proj. mgr., E. P. Broussard
Agency: Dancer Fitzgerald Sample, New York
Mgmt. reps.: Stuart Upson (N.Y.), Norman Lauchner (L.A.), Jim Lindsey (L.A.)
Sr. vp-media dir., Allen Banks
Vp-sr. assoc. media dir., Louis Capozzoli
Assoc. media dir., John Adams

11.
KRAFT
Dart & Kraft Inc.

	media dollars 1980	1981
Magazines	$22,123,000	$23,450,000
Supps	1,180,000	1,202,000
Newspapers	4,160,000	4,783,000
Network tv	34,696,000	36,550,000
Spot tv	11,036,000	25,853,000
Network radio	1,046,000	427,000
Spot radio	2,899,000	4,577,000
Outdoor	645,000	60,000
Total	$77,785,000	$96,902,000

Classifications: cooking products (LNA F-110); dairy products (LNA F-130); prepared foods (LNA F-120); confectionery (LNA F-210)

Marketing/brand management:
Vp-dir. advtg. and creative, James R. Blocki
Mgr. ad. serv., W. Landgraf; R. K. Powell
Group brand mgrs.: E. H. Hale (jellies);

J. L. MacDonald (pourables); P. Buranich, C. F. Martin, R. Verner, H. E. Jolly (cheese); D. W. Blue, (confections); J. G. Powell (dinners BBQ); J. S. Craig (viscous); H. Roberts (margarine citrus); L. A. Clark

Agencies: FC&B, Chicago
(Retail food group)
Grp. mgmt. supr., J. J. Cerasani
Mgmt. supr., P. B. Llewellyn
Acct. suprs. (dinners), D. R. Schreiber, (BBQ sauce)
Acct. exec. (teen & home econ.), D. Balabanos
Sr. vp-media dir., Greg Blaine
Grp. media dir., Ralph Katz
Media supr., Katie Donoval

Needham, Harper & Steers, Chicago
(Parkay, fruit spreads, mustard, Cheez'n Crackers, new products)
Sr. vp. mgmt. rep., Jack W. Copher
Vp-acct. dir., Kathie McKirdy
Vp-acct. supr., Brean Goodall
Acct. supr., V. K. Nelson
Acct. coord., Joanne Grabo
Sr. vp-media dir., David Drake
Vp-dir. media oper., W. F. Heimann, Jr.
Media supr., Diane Niederman
Media plnr., Michael J. Parent
Print plnr., Marie Lehan
Local bdcst. buyer, Susan Mahoney
Vp-network buyer, Howard M. Sirinsky
Network supr., Joan Murphy
Network plnr., Betty Pat McCoy

JWT, Chicago
(Food service & industrial group, U.S. retail food group)
Sr. vp, R. L. McCullough
Vp-mgmt. suprs.: R. Lansdowne (viscous dressings); J. Anastos (food service/military)
Acct. suprs., K. Prior, George Schott, J. Ahtes, T. Denise, B. Soloff, Marilyn Keenan
Sr. vp-grp. media dir., Philip Gerber
Vp-assoc. media dir., Nadine Martens

Proctor & Gardner, Chicago
(Black markets)
Sr. vp-acct. supr., Rolfe Kolconay
Vp-media dir., Anthony Moore

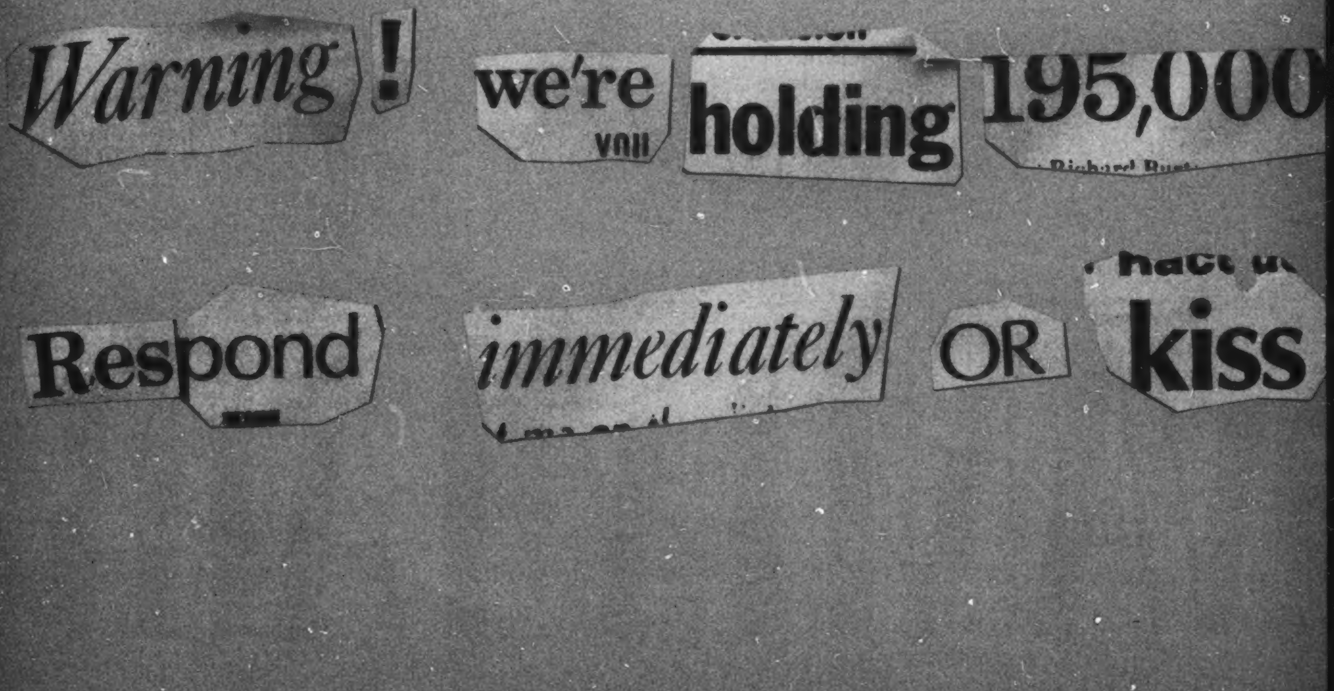
NW Ayer, New York
(Dairy products group)
Exec. vp-mgmt. supr., Stuart Minton, Jr.
Vp-media services, George Burrows
Sr. vp-mgmt. supr., Joseph N. Harte

12.
KELLOGG'S products
Kellogg Co.

	media dollars	
	1980	1981
Magazines	$ 4,323,000	$ 4,740,000
Supps	7,000	—
Newspapers	3,886,000	2,764,000
Network tv	57,826,000	66,793,000
Spot tv	16,902,000	13,079,000
Network radio	—	1,455,000
Spot radio	2,484,000	1,744,000
Outdoor	—	121,000
Total	**$85,428,000**	**$90,696,000**

Classifications: cereals (LNA F-122) bakery goods (LNA F-160)
Marketing/brand management:
Sr. v-mktg., J. R. Aubuchon
Vp-grp. prod. mgr., R. L. Myers
Dir.-mktg. services, W. H. Swain
Mgr. print media, C. A. Clark

Agency: Leo Burnett, Chicago
Client serv., dir., Bill Lynch
Sr. vp-media services, Kenneth Lane
Media dir., Dick Coons



Among women 18-34 who read a daily newspaper, 65% read The Housto
Represented nationally by Sawyer Fergusc

13.
MILLER beer
Philip Morris

	media dollars 1980	media dollars 1981
Magazines	$ 343,000	$ 721,000
Supps	—	—
Newspapers	98,000	218,000
Network tv	56,873,000	60,839,000
Spot tv	12,148,000	11,451,000
Network radio	—	—
Spot radio	6,674,000	12,698,000
Outdoor	98,900	181,000
Total	**$76,234,000**	**$86,108,000**

Classification beer (LNA F-310)
Marketing/brand management:
Exec. vp., Lauren S. Williams
Dir. brand mgmt., William W. Catlin
Grp. prod. dir., Robert Toledo (Lite),
Brand mgrs.: Douglas E. Rogers (Highlife), William H. Barrett (Lite)
Victor Imbimbo, Jr. (new products)
Agency: Backer & Spielvogel, N.Y.
Sr. vp-mgmt. supr., Jeffrey Palmer
Vp-mgmt. supr., Dean Scaros
Account services, Bob Holmen
Exec. vp-dir. media servs., Steven Leff
Sr. vp-media dir., Jay Schoenfeld

14.
DATSUN cars and trucks
Nissan Motor

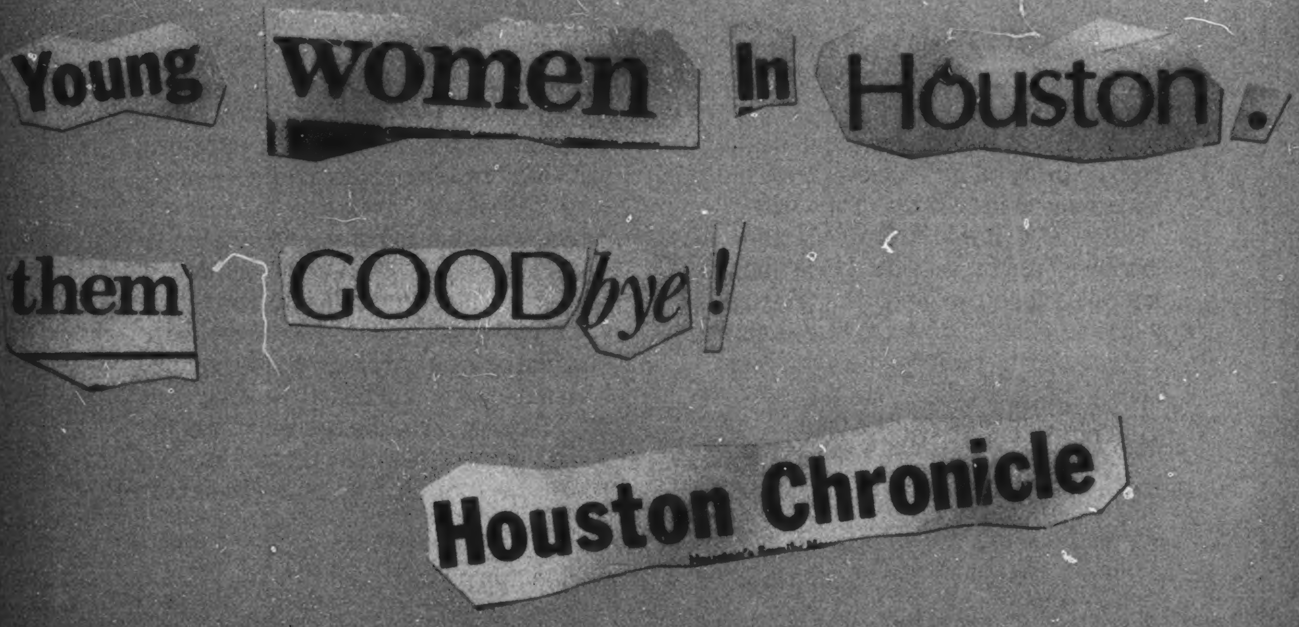
	media dollars 1980	media dollars 1981
Magazines	$ 7,405,000	$ 7,953,000
Supps	440,000	151,000
Newspapers	6,862,000	8,822,000
Network tv	18,150,000	19,951,000
Spot tv	25,753,000	36,649,000
Network radio	—	—
Spot radio	5,850,000	7,667,000
Outdoor	1,251,000	1,336,000
Total	**$65,711,000**	**$82,529,000**

Classifications: passenger cars (LNA T-110); trucks (LNA T-120)
Marketing/brand management:
Vp-mktg. services, Bob Kent
Dir. advtg., Joe Opre
Media planning mgr., Clay Briggs
Agency: William Esty, New York
Sr. vp-mgmt. supr., George Beech
Vp-acct. supr., Tom Boyle (L.A.)
Sr. vp-dir. media serv. William Seaman
Sr. vp-media dirs., Tom Hill (NY), Jolene Fedrick (LA)
Vp-mag. serv., Gerald Crennan
Vp-print serv., Tom Reddy

15.
CHRYSLER cars/corporate
Chrysler

	media dollars 1980	media dollars 1981
Magazines	$ 6,219,000	$10,231,000
Supps	2,007,000	—
Newspapers	10,158,000	16,235,000
Network tv	26,751,000	20,660,000
Spot tv	7,356,000	8,170,000
Network radio	140,000	1,615,000
Spot radio	4,293,000	24,259,000
Outdoor	111,000	255,000
Total	**$57,035,000**	**$81,515,000**

Classification: cars (LNA T-110)
Marketing/brand management:
Advtg. mgr., Doyle Lott
Mgr. mkt. res & analysis, Jeff Elpern
Agency: Kenyon & Eckhardt, Detroit
Chrmn., John J. Morrissey
Exec. vp-William McNealy
Sr. vp-acting mgmt. supr., Bruce D. Andrews
Vp-acct. supr., Ned Brown
Sr. vp-media dir., Phillip D. Matz
Vp-media grp. head, George Wold
Suprs./plnrs.: (cars), Craig Yateman; (dealer assn.) Judy Dennis


Young women in Houston.
them GOODbye!
Houston Chronicle

hronicle. So choose The Chronicle. If you don't, you'll be sorry.
alker. Source: Scarborough Report 1982.

16.
MERIT
Philip Morris

	media dollars 1980	media dollars 1981
Magazines	$14,120,000	$20,747,000
Supps	5,372,000	3,568,000
Newspapers	29,141,000	38,133,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	7,007,000	12,780,000
Total	**$55,640,000**	**$75,228,000**

Classification: tobacco (LNA G-110)
Marketing/brand management:
Vp-media, James L. Thompson, Jr.
Vp-brand & promotion, Robert Fitzmaurice
Brand mgr., Richard L. Stirlen
Agency: Leo Burnett, Chicago
Client serv. dir., Bill Engelbrecht
Sr. vp-media services director, Kenneth Lane
Media dir., Bob Houghtlin

17.
GE
General Electric

	media dollars 1980	media dollars 1981
Magazines	$16,438,000	$18,871,000
Supps	2,172,000	166,000
Newspapers	7,545,000	7,494,000
Network tv	32,987,000	29,996,000
Spot tv	8,396,000	8,869,000
Network radio	2,765,000	2,513,000
Spot radio	1,410,000	1,913,000
Outdoor	183,000	176,000
Total	**$71,896,000**	**$69,998,000**

Classifications: major appliances (LNA H-210); other appliances (LNA H-220); radios, tv sets (LNA H-310)
Marketing/brand management:
Vp., Leonard Vickers
Mgr. corp. adv., Karl L. Koss
Proj. mgr., H. M. Snider
Consumer products & services
Mgr. mktg. programs, Richard A. Costello
Major appliances
Mgr. nat. adv., Victor H. Alcott
Mgr. prod. adv., Ronald N. Graham
Central Air Cond.
Mgr. ad. & sls. plan., Leo Brown
Mgr. ret. adv. & merch., Gaylynn Garrett
Housewares & audio division
Housewares mgr., adv. SP&PR, Vince Novak
Audio mgr. adv. & SP., Norman R. Huey
Tv business division
Mgr. mktg. communications, Peter J. Gariti
GE Credit Corp.
Vp. mktg. comm., Barton D. Ladd
Lighting Business Group
Mgr. adv. & SP, William D. Rayer
Agency: BBDO, New York
(consumer divs.; corporate communications)
Exec. vp-media, Arnie Semsky
Assoc. media dir., John Belfiore
Assoc. net. dir., Bill Crasdale
Asst. media Dirs.: Bruno Crea, Mark Buttitta
Network suprs., John Mattimore, Art Nigro
Grp. plng. supr., Steve Kurtzer
Plnrs.: Don Kennedy, Carolyn Kaufman
Asst. plnrs.: Liza Parker

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18.

WINSTON cigarettes

R. J. Reynolds

	media dollars	
	1980	1981
Magazines	$23,728,000	$20,545,000
Supps	—	2,919,000
Newspapers	11,498,000	29,171,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	13,118,000	15,020,000
Total	$48,344,000	67,655,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Dir. mktg. services, Marty Orlowsky
Vp-brand mktg., Lawrence Hall
Dir. media, Dan Pearson
Group planning mgr., Bernie Bauguess
Brand Mgr., J. Hersberger
Agency: William Esty, New York
Grp. mgmt. supr., L. M. Wassong
Mgmt. supr., J. E. Neal

19.

DODGE cars and trucks

Chrysler

	media dollars	
	1980	1981
Magazines	$ 5,628,000	$10,471,000
Supps	475,000	193,000
Newspapers	17,147,000	11,231,000
Network tv	22,790,000	19,856,000
Spot tv	12,978,000	20,610,000
Network radio	113,000	152,000
Spot radio	1,018,000	4,309,000
Outdoor	122,000	245,000
Total	$50,271,000	$67,067,000

Classifications: passenger cars (LNA T-110); trucks (LNA T-120)
Marketing/brand management:
(cars)
Vp-mktg., Jack Givens
Advtg. div., Doyle Lott
Advtg. mgr., Joe Cronin
(trucks)
Mktg. dir., Joe Caddell
Advtg. mgr., Lee Farrell
Agency: Kenyon & Eckhardt, Detroit
Chrmn., John J. Morrissey
Exec. vp., William McNealy
Sr. vp-mgmt. supr., John Miley
Vp-acct. supr., Dave Hubbard
Sr. vp-media dir., Phillip D. Matz
Vp-media grp. head, Elton Kruger
Media ptnr., John Vaglia

20.

BUDWEISER beer

Anheuser-Busch

	media dollars	
	1980	1981
Magazines	$ 1,000,000	$1,270,000
Supps	—	—
Newspapers	258,000	939,000
Network tv	22,481,000	27,406,000
Spot tv	6,310,000	11,390,000
Network radio	1,868,000	2,927,000
Spot radio	16,370,000	21,640,000
Outdoor	745,000	1,465,000
Total	$49,032,000	$67,037,000

Classification: beer (LNA-F-310)
Marketing/brand management:
Vp-mktg., Michael J. Roarty
Vp-brand mgmt., Jack MacDonough
Vp-corporate media, Charles B. Fruit
Grp. mktg. mgr., Thomas Sharbaugh
Sr. prod. mgr., Mark Pirrung, Bob Goughenour (Bud light)
Asst. prod. mgr., William H. McNulty
Brand prom. mgr., Tony Gillick
Agencies: D'Arcy-MacManus & Masius, St. Louis
Sr. vp-mgmt. supr., Percy Orthwein
Vp-grp. supr., Tim Arnold
Vp-acct. supr., Todd Abrams
Sr. acct. exec., Jack Hanzlovic
Acct. exec., Rich Lalley
Sr. vp-dir. media servs., Frank Kopec
Vp-grp. media dir., Steve Phelps
Vp-assoc. media dir., Beth Seib
Sr. media supr., Kitty Clark
Media supr., Jeff Goetz
Needham, Harper & Steers, Chicago
Sr. vp-dir. media resources, David Drake
Vp-dir. media operations, William Heimann, Jr.
Assoc. media dir., Tom McAlevey
Mgmt. rep., Ron Bess
Acct. dir., Patrick Martin
Acct. supr., John Greening
Acct. exec., Bob Klein

21.

KODAK cameras and film

Eastman Kodak

	media dollars	
	1980	1981
Magazines	$10,864,000	$13,077,000
Supps	214,000	423,000
Newspapers	3,180,000	2,401,000
Network tv	34,762,000	41,624,000
Spot tv	3,226,000	5,588,000
Network radio	1,559,000	550,000
Spot radio	283,000	904,000
Outdoor	312,000	559,000
Total	$54,400,000	$65,126,000

Classifications: cameras (LNA G-230); office machines (LNA B-310)
Marketing/brand management:
Vp-gen. mgr., mktg. dir., W. J. Prezzano
Vp-dir. mktg., comm., J. J. Powers
Dir. mktg. comm., consumer mkts., R. H. McCoy
Agencies: JWT, New York
Exec. vp-grp. acct. dir. (Worldwide), William Thompson
Sr. vp-grp. acct. dir. (Domestic), John Wells
Vp-grp. media dir., John Sisk
Vp-assoc. media dir., David Murphy
Young & Rubicam, New York
Instant photography
Sr. vp-mgmt. supr., Richardo Calvillo
Acct. execs.: Tom Wardrop, Claire Butler
Sr. vp-media grp. supr., George Sharpe
Media supr., William Colihan

22.

PURINA pet food

Ralston Purina

	media dollars	
	1980	1981
Magazines	$ 9,346,000	$ 7,782,000
Supps	957,000	193,000
Newspapers	1,468,000	974,000
Network tv	59,013,000	50,803,000
Spot tv	7,808,000	4,135,000
Network radio	—	—
Spot radio	191,000	18,000
Outdoor	41,000	—
Total	$78,824,000	$63,905,000

Classification: pet food (LNA G-530)
Marketing/brand management:
Vp-dir. of adv. & mktg. services, William M. Claggett
Div. vp. pet foods mktg., Blair Gensamer
Media commun. dir., F. Lee Zingale
Media dirs.: Mary Howard, Don Martin
Agencies: Wells, Rich, Greene, N.Y.
Sr. vp-mgmt. supr., David Bulleit
Sr. vp. med. dir., Robert Geis
Vp. plan. serv. dir., Steve Ziglar,
Vp-plan. grp. head, Pat Casa
Della Femina, Travisano & Partners
(New products)
Mgmt. rep., Jerry Della Femina
Sr. vp-media dir., Herb Maneloveg
Drossman, Yustein, Clowes/Della Femina (Meow Mix)
Mgmt. rep., Neil Drossman
NW Ayer, New York
Sr. vp-mgmt. supr., George Lemmond
Media dir., Marcella Rosen
McDonald & Little, Atlanta
Sr. vp-mgmt. supr., Alfred Nucifora

ed. dir., Spencer Hapoiena
ardner, Advertising, St. Louis
res., C. Kelly O'Neill
r. vp-acct. mgmt., J. Donald Weakley
r. vp-mgmt. supr.: Thomas Hizar
dvanswers Media/Programing
St. Louis, New York, Los Angeles
Sub. Gardner Advtg.)
res., Donald Stork
xec. vp., Jack Shubert
res. network subsidiary, Paul Schulman (New York)
verett, Free & Fisher, Inc.
r. vp-mgmt. supr., Ron Thomas
r. vp-media dir., Bruce Hoenig
CA Advertising, New York
res.-mgmt. Supr., Wm. Dunlap
edia dir., Robert Jones
atham Laird & Kudner, Chicago
gmt. supr., Tom McDonald
cct. supr., John Beam
cct. exec., Mark Holtzer
edia dir., Leonard Materna
ssoc. media dir., Steve Broeker
edia supr., David Flockencier
edia plnrs.: Sue Ellen Miller, Mary Sue McCleish, Patti Ahlswede
on Tennant Co., Chicago
Thrive, Whiskey Lickins, new products)
res, CEO, Thomas J. Prchal
cct. suprs.: Alan Moser, Ron Hirasawa, Nancy Myers
cct. execs: Bill Freeman, Mark Gleason
p-dir. media servs., James W. Gustafson
ells, Rich, Greene, Inc.
r. vp-acct. grp. head, David Bulleit
r. vp-corp. media dir., Bob Geis
p-media plng. dir., Steve Ziglar

23.
MARLBORO cigarettes
Philip Morris

	media dollars 1980	1981
agazines	$19,082,000	$27,037,000
upps	2,358,000	1,305,000
ewspapers	17,328,000	16,731,000
etwork tv	—	—
pot tv	—	—
etwork radio	—	—
pot radio	—	—
utdoor	9,910,000	14,283,000
otal	$48,678,000	$59,356,000

lassification: tobacco (LNA G-110)
arketing/brand management:
p .brand & promotion, Robert Fitzmaurice
rand mgr., Bob Roper
p-media, James L. Thompson Jr.

Agency: Leo Burnett, Chicago
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Bob Houghtlin
Client serv. dir., Bill Engelbrecht

24.
VANTAGE cigarettes
R. J. Reynolds

	media dollars 1980	1981
Magazines	$22,965,000	$19,787,000
Supps	7,143,000	3,680,000
Newspapers	27,196,000	28,514,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	2,385,000	6,412,000
Total	$59,680,000	$58,393,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Dir. mkgt. services, Marty Orlowsky
Dir. media, Dan Pearson
Group planning mgr., Tom McCabe
Brand planning mgr., Betty Carpenter
Brand mgr., G. McKenna
Agency: Leber Katz Partners, N.Y.
Exec. vp-mgmt. supr., Jerome L. Davidow
Vp-acct. grp. supr., Robert Hirsch
Sr. vp-media dir., Charles Buccieri

25.
RCA video recorders, discs
RCA consumer electronics

	media dollars 1980	1981
Magazines	$ 9,725,000	$11,789,000
Supps	923,000	889,000
Newspapers	4,878,000	10,499,000
Network tv	13,524,000	30,333,000
Spot tv	2,545,000	2,998,000
Network radio	—	877,000
Spot radio	66,000	296,000
Outdoor	34,000	6,000
Total	$31,695,000	$57,687,000

Classification: tv sets (LNA H-310)
Marketing/brand management:
Pres., RCA sales, Arnold T. Valencia
VP-consum. commun., James K. DeVoe
Natl. adv. mgr., Wm. S. Beres
Vp-marktg. oper., David H. Croner
Merch. mng., tv, Geo. S. Fouts
Merch. mng., VCR, James A. Gatman
Merch. mgr., Video Discs, Richard D. Levin
Agency: Leo Burnett, Chicago
Acct. supr., (Video Disc), William Wohlfiel
Sr. vp-media serv. div., Kenneth Lane
Media dir., Stephanie English
Acct. dir., Jack Brown

26.
KENT cigarettes
Loews

	media dollars 1980	1981
Magazines	$15,374,000	$13,257,000
Supps	5,792,000	7,100,000
Newspapers	26,498,000	27,369,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	8,399,000	7,550,000
Total	$56,063,000	$55,276,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Exec. vp-mktg., Robert Ave
Vp-advtg. & brand mgmt., T. H. Mau
Grp. brand dir. (Kent, Kent III), George Telford
Brand mgr, John Marx
Media dir., Bill Sands
Mgr. OOH media, Lucy Puccio
Mgr., In-home, Stephen Molloy
Agency: FC&B, New York
Grp. mgmt. supr., K. R. Patton
Acct. supr., Paul Iffland
Acct. exec. (Kent & Max), Eileen Malone
Acct. exec., Kent III, Jill Seligson
Sr. vp-media dir., Madeline Nagel
Media supr., Mike Haggerty
Planner, Madeline Baker

27.
PEPSI-COLA
PepsiCo

	media dollars 1980	1981
Magazines	$ 30,000	$ 254,000
Supps	—	—
Newspapers	1,050,000	1,843,000
Network tv	20,619,000	10,129,000
Spot tv	26,740,000	34,461,000
Network radio	—	—
Spot radio	5,950,000	6,926,000
Outdoor	612,000	138,000
Total	$55,001,000	$53,751,000

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Vp-mktg., Larry Higby
Media dir., Henry V. Hayes
Natl. media mgr., Ron Mednick

The (ME) test

☑ What mini-test market matches mainstream America demographics plus or minus 5%?

☑ What test market has the location that offers confidentiality/isolation to keep your new product hidden longer from competition?

☑ What market meets all the ADI media-mix requirements, minimal spillage, and low GRP costs (average 30 second TV spot reaches 19% @$15.50 per point; the newspaper buy reaches 50% @$28.80 a point)?

☑ What market offers tight monitoring and control with 80% reach of the All Commodity Volume through 14 supermarkets?

☑ What market has the most up-to-date auditing capabilities of Nielsen, Burgoyne, SAMI?

☑ What market is served by a dominant newspaper with over 86,000 daily circulation and 120,000 Sunday, 96% within the ADI?

☑ Check the (ME) market...The Portland Mainestream. Call Mark Sullivan (Portland, ME) 207-775-5811; Gary Gagne (Landon-Boston) 617-266-2141; Roger Power (Landon-NYC) 212-867-1112.

Test marketers select the (ME) Market... the Portland (ME) Press Herald and Evening Express.

Evening Express
Portland Press Herald
State borrows 2.3 million gallons of oil
Maine Sunday Telegram
Dissidents thank America

The Portland Mainestream

Nationally Marketed by
LANDON ASSOCIATES, INC.
23 offices coast-to-coast

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Vp-acct. suprs.: Mary Jones, Dan Levinson, Allan Tractenberg, Bernie Lee, Gerret Schwieger
Exec. vp-dir. media/net. prog., Arnie Semsky
Sr. vp;media dir., Al Goldin
Vp-assoc. net. dir., Susan Auerbach
Vp-asst. media dir., Ivan Becker
Plng. supr., Rene Goldmuntz
Net supr., Larry Blasius
Plnr., Peter Harrington

28.

HONDA cycles and cars

American Honda Motor

	media dollars 1980	1981
Magazines	$10,657,000	$12,344,000
Supps	216,000	415,000
Newspapers	2,936,000	4,792,000
Network tv	15,625,000	18,275,000
Spot tv	3,183,000	9,240,000
Network radio	299,000	—
Spot radio	2,608,000	5,485,000
Outdoor	1,033,000	1,589,000
Total	$36,557,000	$52,140,000

* revised

Classifications: motorcycles (LNA G-440); passenger cars (LNA T-110)
Marketing/brand management:
(passenger cars)
Sr. vp, Cliff Schmillen
Natl. advtg. & sales prom. mgr., Joe Haight
(Motorcycles)
Natl. adv. mgrs., Jon Row, Neil Leventhal
Agencies: NA&S, Los Angeles
Sr. vp-mgmt. rep., Bob Welsh
Vp. assoc. med. dir., Bill Hagelstein
Acct. supr., Tom Cavanagh
Assoc. media dir., Ab Davis
Media supr., Nancy Strohn
Dailey & Assoc., Los Angeles
(Motorcycles)
Vp. mgmt. supr., Mike Nyerges
Vp-media dir., Marc Feidelson
Assoc. med. dir., George Troll

For alphabetical index turn to page 60. Trend comments start on page 64.

29.

OLDSMOBILE cars

General Motors

	media dollars 1980	1981
Magazines	$ 9,356,000	$14,012,000
Supps	—	—
Newspapers	7,794,000	9,785,000
Network tv	10,457,000	12,005,000
Spot tv	10,836,000	12,467,000
Network radio	837,000	434,000
Spot radio	1,871,000	3,249,000
Outdoor	522,000	110,000
Total	**$41,673,000**	**$52,062,000**

Classification: cars (LNA T-110)
Marketing/brand management:
Advtg. mgr., John F. Hamill
Asst. advtg. mgr., Ray Juracek
Agency: Leo Burnett, Southfield, MI
Exec. vp-gen. mgr., John C. Ryan
Vp-acct. supr., Roger K. Bailey
Vp-media dir., Joe Henry

30.

VOLKSWAGEN cars, trucks

Volkswagenwerk A. G.

	media dollars 1980	1981
Magazines	$11,578,000	$12,141,000
Supps	69,000	23,000
Newspapers	2,201,000	5,811,000
Network tv	18,635,000	19,942,000
Spot tv	12,838,000	11,141,000
Netqork radio	—	—
Spot radio	50,000	606,000
Outdoor	692,000	812,000
Total	**$46,063,000**	**$50,476,000**

Classification: passenger cars (LNA T-110)
Marketing/brand management:
Mgr. Volkswagen advtg., John Slaven
Adv. prom. specialist, George Pizzo
Agency: Doyle Dane Bernbach, New York
Exec. vp, Robert Rees
Sr. vp-mgmt. supr., Robert Dunn
Acct. supr., Al Steiner
Exec. vp-dir. media & prog., Michael Drexler
Vp-media planning dir., John Pansuti
Assoc. media planning director, Robert Gorby

31.

SALEM cigarettes

R. J. Reynolds

	media dollars 1980	1981
Magazines	$22,714,000	$13,146,000
Supps	4,580,000	1,913,000
Newspapers	29,853,000	22,311,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	9,684,000	11,441,000
Total	**$66,831,000**	**$48,811,000**

Classification: tobacco (LNA G-110)
Marketing/brand management:
Dir. mktg. services, Marty Orlowsky
Dir. media, Dan Pearson
Group planning mgr., Tom McCabe
Brand planning mgr., Betty Garner
Brand mgr., K. Neher
Agency: William Esty, New York
Exec. vp-grp. mgmt. supr., L. M. Wassong
Mgmt. supr., J. E. Neal
Sr. vp-dir. media serv., William Seaman
Sr. vp-media dir., Peter Triolo
Vp-magazine serv., Gerald Crennan
Vp-print serv., Tom Reddy

32.

BURGER KING restaurants

Pillsbury

	media dollars 1980	1981
Magazines	$ 80,000	$ 162,000
Supps	—	—
Newspapers	51,000	59,000
Network tv	25,273,000	27,832,000
Spot tv	17,651,000	18,400,000
Network radio	—	—
Spot radio	1,669,000	1,979,000
Outdoor	351,000	365,000
Total	**$45,075,000**	**$48,797,000**

Classification: restaurants (LNA G-330)
Marketing/brand management:
Sr. vp-mktg., Kyle Craig
Agency: JWT, New York
VP-media, Buck Buchanan
Mgmt. supr., Harry Clark
Grp. media dir., John Gray
Assoc. media dir.: Al Romano
Planners: Emily Troy, Jill Lipton
Assoc. media dir.-net. neg., Arnold Chase
Negotiator, Nancy Price

Oldsmobile
Cutlass Supreme
It's in VOGUE.
The book women live by.

33.
PONTIAC cars
General Motors

	media dollars 1980	1981
Magazines	$ 4,908,000	$ 4,763,000
Supps	—	—
Newspapers	5,114,000	5,950,000
Netqork tv	13,834,000	24,689,000
Spot tv	12,152,000	11,159,000
Network radio	—	893,000
Spot radio	339,000	1,171,000
Outdoor	317,000	73,000
Total	$36,664,000	$48,698,000

Classification: cars (LNA T-110)
Marketing/brand management:
Dir. mdsg., James Graham
Agency: D'Arcy-MacManus & Masius, Bloomfield Hills
President, James T. Doyle
Sr. vp-dir. media, mktg. & research, Lucien DiSalvo
Vp-media dir., Robert Spaulding
Sr. vp-mgmt. supr., John Greening
Assoc. med. dir., Dave Irvine

34.
UNITED
UAL

	media dollars 1980	1981
Magazines	$ 2,014,000	$ 2,075,000
Supps	1,000	—
Newspapers	16,062,000	18,937,000
Network tv	8,491,000	8,297,000
Spot tv	12,390,000	16,738,000
Network radio	—	—
Spot radio	8,149,000	1,055,000
Outdoor	270,000	395,000
Total	$47,377,000	$47,497,000

Classifications: passenger travel (LNA T-410); freight (LNA B-610)
Marketing/brand management:
Sr vp-marketing, John Zeeman
Dir. advtg., Bill Alenson
Mgrs.: Bill Groundwater (West) Al Sortwell (Central) L. A. Small (East)
Agency: Leo Burnett, Chicago
Sr. vp., Dave Smith
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Sally Hunter
Acct. dir., Jim Thompson
Vp-acct. supr., John Goad
Acct. supr., Jim Dotter

35.
AMERICAN EXPRESS
American Express

	media dollars 1980	1981
Magazines	$ 5,846,000	$ 8,840,000
Supps	193,000	271,000
Newspapers	2,168,000	5,075,000
Network tv	15,612,000	22,195,000
Spot tv	11,342,000	8,455,000
Network radio	933,000	1,034,000
Spot radio	1,624,000	1,440,000
Outdoor	5,000	—
Total	$37,723,000	$47,310,000

Classifications: financial (KNA B-150); travel services (LNA T-420)
Marketing/brand management:
Vp-marketing, No. Amer., Richard McCaffrey
Vp, Richard Kotz (card)
Vp-adv.; Dick Rosenbloom, Bill Zins (cheques)

Trend comments start on page 64.

Vp.-mktg. serv., Ron Friedman (travel & lodging)
Agency: Ogilvy & Mather, New York
Sr. vp-grp. dir., Brendan Ryan
Sr. vp-assoc. media dir., Wilma Epstein
Vp. asst. med. dir., Linda Fidelman
Sr. vp-mgmt. supr., Shelly Lazarus (card)
Vp-mgmt. supr., Michael Newbrand cheques)

36.
CLAIROL hair products
Bristol-Myers

	media dollars 1980	1981
Magazines	$10,692,000	$14,501,000
Supps	1,594,000	1,192,000
Newspapers	1,920,000	1,370,000
Network tv	27,929,000	24,929,000
Spot tv	5,340,000	4,073,000
Network radio	—	—
Spot radio	—	879,000
Outdoor	12,000	—
Total	$47,487,000	$46,944,000

Classification: hair products (LNA D-140); bath toiletries (LNA D-130)
Marketing/brand management:
VP marketing, Dave Ruckert
Vp-sales, Don L. Harkness
Group product mgrs.: Mike Lorelli (hair care), Rich Davidian (hair color), John Doran (new products)

AMERICAN EXPRESS
It's in VOGUE.
The book women live by

Agencies: Ogilvy & Mather, N.Y.
Hair care/new products
Sr. vp-grp. dir., John Blaney
Vp-mgmt. supr., Shelly Lazarus
Sr. vp-dir. media oper., Kenneth Caffrey
FC&B, New York
Hair care/hair coloring
Sr. vp-group mgmt. supr., Alan Klein
Vp-mgmt. supr., Jor Froschi
Vp-assoc. media dir., Michael Haggerty
Appliances
Vp-mgmt. supr., Bob Patton
Sr. vp-media dir., Madeline Nagel
Media supr., Madelyn Baker
Vp-acct. supr., Dany Khosrovani
Acct. supr., Stephen Smith
DDB, New York
Group sr. vp, John H. Leonard
Sr. vp-mgmt. supr., Milton Harkrader
Vp-acct. suprs.: Stephen Kutler, Barbara Monte
Acct. execs.: Phyllis Califano, Barbara Liedeker, Betsy Means, Pat Stockhuasen
Asst. acct. execs.: Alexa Ratway, Robert Jeffrey
Admin. Asst., Marie Henderson
Exec. vp-dir. media & prog., Michael Drexler
Vp-media plng. dir., Conant Sawyer
Media planning dirs., Pat Engel, Joan Gugliotta
Wyse, New York
Clairesse, new products
Vp-media dir., Nat Gayster
Acct. supr., John Shima
Acct. exec., Robert Grossman, Joann Barbieri
Sr. media plnr., John O'Brien

37.

COCA-COLA soft drink

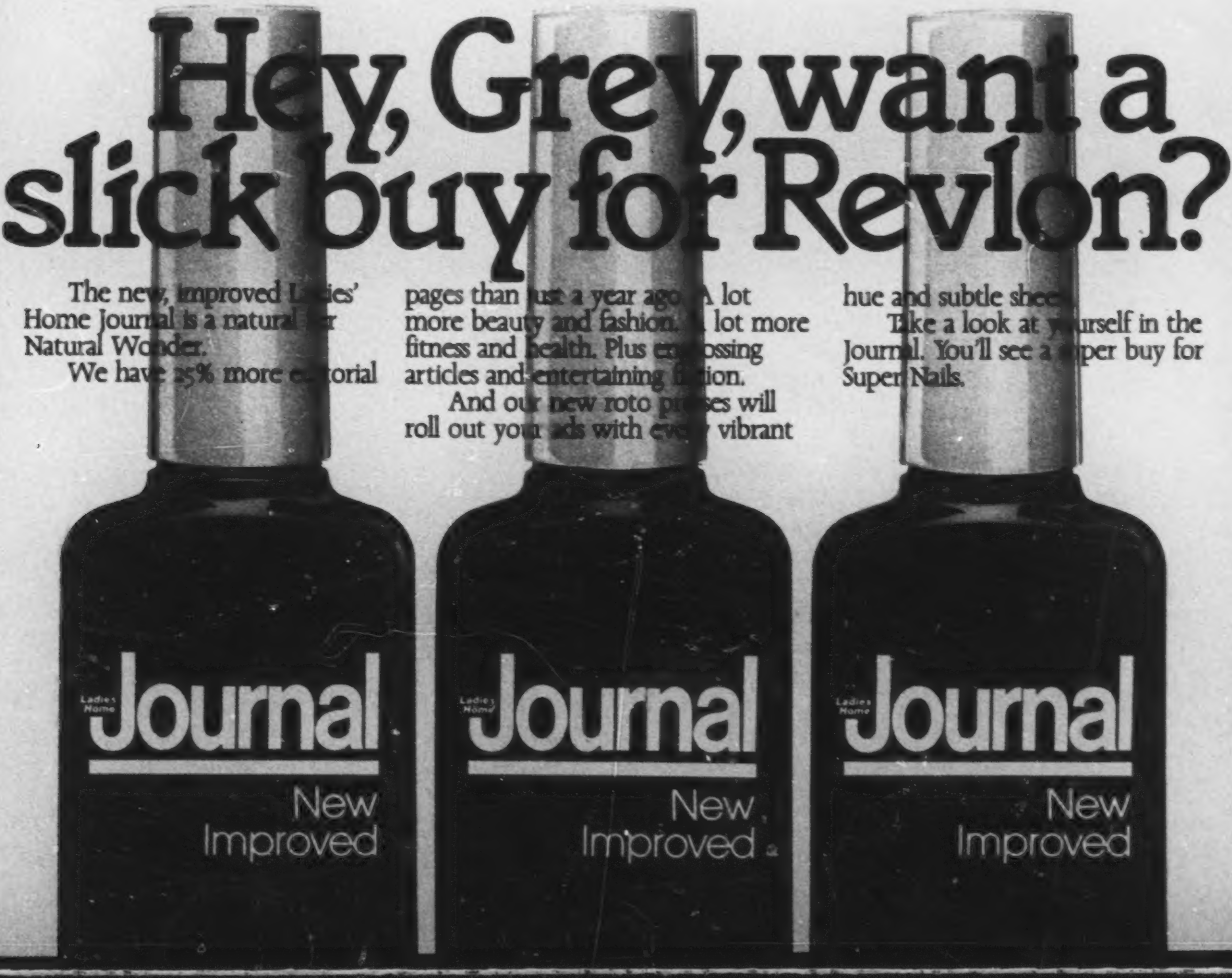
Coca-Cola

	media dollars 1980	media dollars 1981
Magazines	$ 927,000	$ 350,000
Supps	—	—
Newspapers	1,304,000	2,191,000
Network tv	16,461,000	15,203,000
Spot tv	18,235,000	20,446,000
Network radio	—	—
Spot radio	5,611,000	6,231,000
Outdoor	2,450,000	2,458,000
Total	$44,988,000	$46,879,000

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Vp-mktg. serv., John J. Gillin

For alphabetical index turn to page 60. Trend comments start on page 64.

Dir., media services, Charlotte Weissenberger
Agencies: McCann-Erickson, N.Y./Atlanta
Pres., McCann-Erickson USA, John Bergin
Exec. vp, Ron Sugarman (Atlanta)
Vp-mgmt. rep., Wayne Thornhill
Exec. vp, dir. media servs., Gene DeWitt
Sr. vp-plng. dir., Ira Carlin
Vp-natl. bdcst., Saul Cohen
Vp-assoc. plng. dir., Gene Hayes
Media grp head, Joan Blayney
Ed. Yardang & Assoc., San Antonio
(Hispanic advertising)
Vp-mkgt. servs., Debbie Prost
Media dir., Toni Pratt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The Quality Buy

38.

POST cereals

General Foods

	media dollars 1980	media dollars 1981
Magazines	$ 46,000	$ 1,398,000
Supps	561,000	9,000
Newspapers	269,000	151,000
Network tv	25,322,000	33,035,000
Spot tv	7,192,000	11,328,000
Network radio	—	—
Spot radio	—	35,000
Outdoor	—	—
Total	**$33,390,000**	**$45,956,000**

Classification: cereals (LNA F-122)

Marketing/brand management:
Gen. mgr., William Korab
Mktg. mgr., Tom Herskovits
Cat. mgrs.: Rick Power, Chuck Marcy

The media group includes:
Dir. media servs.; David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth

Agencies: Ogilvy & Mather, N.Y.
Sr. vp-acct. grp. dir., Steve Humphrey
Vp. mgmt. super., Paul Kurnit
Sr. vp med. oper., Ken Caffrey
Sr. vp-assoc. media dirs.: Tony Nacinovich, Wilma Epstein
Asst. media dir., Bert delos Reyes

Grey, New York
Mgmt. rep., Dick O'Brien
Mgmt. supr., Tom Aydelotte
Sr. vp-dir. media & prog., Alec Gerster

39.

CREST toothpaste

Procter & Gamble

	media dollars 1980	media dollars 1981
Magazines	$ 2,387,000	$ 6,693,000
Supps	—	14,000
Newspapers	12,000	124,000
Network tv	23,140,000	35,258,000
Spot tv	3,110,000	3,690,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	109,000
Total	**$28,649,000**	**$45,888,000**

Classification: dental supplies (LNA D-121)

Marketing/brand management:
Brand mgr., Jerry Perkinson
Advtg. mgr., Rick Frank

The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell

Agency: Benton & Bowles, New York
Sr. vp-acct. dir., Tom Carey
Sr. vp-mgmt. supr., Steve Davis
Acct. supr., Greg Walker
Sr. vp-dir. media mgmt., Michael Moore
Vp-assoc. media dir., Steve Farella

40.

AMERICAN

American Airlines

	media dollars 1980	media dollars 1981
Magazines	$ 4,081,000	$ 4,343,000
Supps	172,000	592,000
Newspapers	17,158,000	20,159,000
Network tv	1,056,000	2,987,000
Spot tv	10,949,000	10,418,000
Network radio	—	—
Spot radio	7,977,000	6,764,000
Outdoor	565,000	418,000
Total	**$41,958,000**	**$45,661,000**

Classifications: passenger travel (LNA T-410); freight (LNA B-610)

Marketing/brand management:
Vp-pass. sales/advtg., R. W. Baker
Sr. dir.-adv., Adrianna S. Boylan
Mgrs. advtg.: Judith A. Kirvan, William E. Quachenbush, Bruce Goodyear
Dir.-sales prom., Frank J. DiNuzzo
Mgr. advtg. admin., Gregg Mavico

Agency: Bozell & Jacobs, Dallas
Sr. vp-media dir., Hugh O'Brien
Vp-assoc. media dir., Tom Bolzer
Media plnr., Jim Himmell
Media suprs.: John Thornson, Julia Hagmann
Sr. vp-acct. serv. dir., Paul Gold
Sr. vp-acct. supr., Tom Stumpf
Vp-acct. supr., Tom Hooke

41.

MAXWELL HOUSE coffee

General Foods

	media dollars 1980	media dollars 1981
Magazines	$ 795,000	$ 3,910,000
Supps	1,590,000	304,000
Newspapers	2,968,000	1,827,000
Network tv	20,156,000	25,031,000
Spot tv	13,379,000	8,973,000
Network radio	3,380,000	2,829,000
Spot radio	2,800,000	2,735,000
Outdoor	22,000	—
Total	**$45,090,000**	**$45,609,000**

Classification: beverages (LNA F-170)
Marketing/brand management:
Grp. vp, Bob Seelert
Mktg. & dev. mgr., Steve Morris
Cat. mgrs.: Dave Gustin, Joel Johnson, Chuck Phillips
The media group includes:
Dir. media servs.- David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth
Agency: Ogilvy & Mather, New York
Sr. vp-gov. dir., Stephen Humphrey
Sr. vp-dir. medi oper., Kenneth Caffrey
Sr. vp-assoc. media dir., Tony Nacinovich
Vp-asst. media dir., Ray Simko
Media planner, Kristy Allen

42.
BUICK cars
General Motors

	media dollars 1980	1981
Magazines	$ 4,601,000	$ 5,945,000
Supps	56,000	101,000
Newspapers	5,282,000	5,861,000
Network tv	15,349,000	15,990,000
Spot tv	12,721,000	15,327,000
Network radio	854,000	994,000
Spot radio	705,000	273,000
Outdoor	363,000	725,000
Total	$39,931,000	$45,216,000

Classification: cars (LNA T-110)
Marketing/brand management:
Vp-gen. mgr., L. E. Reuss
Gen. sales mgr., J. C. Perkins
Asst. gen. sales mgr., J. J. Faerber
Dir. adv., Harold E. Savage
Agency: McCann-Erickson, Detroit
Sr. vp-mgmt.: Gerald C. Atkin, sr. vp-mgmt. supr.: H. W. Grusche
Vp-acct. supr., Edmund H. Sale
Vp-media dir., W. Brien Schweikart

43.
MERCURY cars
Ford Motor

	media dollars 1980	1981
Magazines	$ 5,840,000	$ 9,914,000
Supps	31,000	—
Newspapers	885,000	4,619,000
Network tv	22,431,000	21,872,000
Spot tv	13,449,000	7,375,000
Network radio	1,966,000	238,000
Spot radio	647,000	957,000
Outdoor	285,000	132,000
Total	$45,534,000	$45,107,000

Classification: passenger cars (LNA T-110)
Marketing/brand management
Gen. mktg. mgr., B. Coughlan
Adv. mgr., John B. Vanderzee
Agency: Young & Rubicam, Detroit
Sr. vp-grp. dir., John Sanders
Vp-media dir., Ken Pool

44.
MICHELOB beer
Anheuser-Busch

	media dollars 1980	1981
Magazine	$ 2,019,000	$ 3,380,000
Supps	—	—
Newspapers	384,000	798,000
Network tv	26,032,000	31,062,000
Spot tv	1,622,000	4,402,000
Network radio	670,000	878,000
Spot radio	2,573,000	4,179,000
Outdoor	323,000	148,000
Total	$33,623,000	$44,847,000

Classification: beer (LNA F-310)
Marketing/brand management:
Vp-marketing, Michael J. Roarty
Vp-brand mgmt., Jack MacDonough
Vp-corporate media, Charles B. Fruit
Grp. mktg. mgr., David C. Drew
Sr. prod. mgr.: Henry Cardello (Michelob), Paul Basquin (Michelob Light)
Asst. prod. mgrs.: William Glickert (Michelob), Bob Doyle (Michelob Light)
Brand prom. mgr.: Sharon Jacobson (Michelob), Janey Marks (Michelob Light)
Dir. spec. mkts., Robert E. McDowel
Agency: D'Arcy-MacManus & Masius, St. Louis
Sr. vp-mgmt. supr., Percy Orthwein
Vp-group supr., Bob Gulousen
Acct. suprs.: Mark Polan (Michelob), Pat Harrington (Michelob Light)
Acct. execs.: Jeff Kuehl, Terry Lucas (Michelob Light), Kelly Miles, Dave Gulick (Michelob)
Sr. vp-dir. media servs., Frank Kopec
Vp-grp. media dir., Steve Phelps
Assoc. media dirs.: Mike Nyikes (Michelob Light), Glenn DeWees (Michelob)
Media suprs.: Steve Winkler (Michelob Light), Rachelle Wiener (Michelob)

For alphabetical index turn to page 60.

45.
ANACIN analgesic
American Home Products

	media dollars 1980	1981
Magazines	$ 1,655,000	$1,649,000
Supps	—	359,000
Newspapers	—	36,000
Network tv	35,939,000	37,855,000
Spot tv	4,698,000	4,197,000
Network radio	1,176,000	533,000
Spot radio	45,000	12,000
Outdoor	—	—
Total	$43,513,000	$ 44,641,000

Classification: medicines and proprietary remedies (LNA D-210)
Marketing/brand management:
Grp. mgr., Dick Howland
Sr. prod. mgr., John Casey
Pr. mgr., Dorothy McKenna
William Esty, New York
(Anacin III)
Vp-assoc. media dir., Joseph Sander
Vp-acct. supr., William Waldron
Rosenfeld, Sirowitz, Lawson, NY
Mgmt. supr., Sid Lawrence
Acct. supr., Dave Reeves
Exec. vp-dir. media serv., Robert W. Hinson
Assoc. media dir., Ron Hatcher
Sr. media plnr., Tim McHacer
Media plnr., Mike Delaney

46.
MORE cigarettes
R. J. Reynolds

	media dollars 1980	1981
Magazines	$ 8,387,000	$12,607,000
Supps	2,652,000	2,545,000
Newspapers	3,751,000	24,000,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	1,659,000	4,954,000
Total	$16,448,000	$44,106,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Dir. mktg. servs., Marty Orlowsky
Dir. media, Dan Pearson
Grp. plng. mgr., Bernie Bauquess
Agency: Leber Katz Partners, N.Y.
Sr. mgmt. supr., Jerome Davidow
Mgmt. supr., Bob Hirsch
Acct. supr., Bob Shull
Sr. vp-media dir., Charles Buccieri

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NORTHERN NEW ENGLAND'S LARGEST DAILY NEWSPAPER

Source: AUDIT REPORTS, SEPT. 30, 1981, TELMAR MEDIA CALCULATOR, 1982, SMRB, 1981, SRDS, 1981.

47.
EASTERN
Eastern Air Lines

	media dollars	
	1980	1981
Magazines	$ 4,617,000	$ 3,933,000
Supps	189,000	81,000
Newspapers	19,814,000	23,597,000
Network tv	1,963,000	1,742,000
Spot tv	6,346,000	4,761,000
Network radio	—	—
Spot radio	5,342,000	6,968,000
Outdoor	1,911,000	2,404,000
Total	**$40,182,000**	**$43,486,000**

Classifications: passenger travel (LNA T-410); freight (LNA B-610)

Marketing/brand management:
Sr. vp-mktg., Russell L. Ray
Vp-adv., William H. Dowse
Mgr. adv. ser., Robert A. Wolf

Agency: Campbell-Ewald, Detroit
Exec. vp-acct. dir., P. A. Dow
Sr. vp.-mgmt. supr., J. V. Karle
Exec. vp-media dir., Thomas Glynn
Sr. vp. a.m.d., J. W. Nuccio

48.
WRIGLEY gum
Wm. Wrigley, Jr.

	media dollars	
	1980	1981
Magazines	$ 611,000	$ 4,000
Supps	—	—
Newspapers	517,000	—
Network tv	24,561,000	32,181,000
Spot tv	8,617,000	9,350,000
Network radio	1,143,000	—
Spot radio	168,000	1,740,000
Outdoor	—	—
Total	**$35,617,000**	**$43,275,000**

Classification: gum (LNA F-210)
Marketing/brand management:
Vp-marketing, Ron Cox
Asst. vp-adver., Henry Berchert
Marketing mgrs., Niels Hoegh-Guldberg, Gary Bebee
Agencies: BBDO, Chicago
Pres. Eric Harkna
Vp-mgmt. supr., Andrew Donchak
Vp-acct. supr., Walt Waschick
Vp-exec. dir. of media, Leonard Kay
Vp. dir. med. plan., Robert Garrison
Director of spot buying, Joanne Evans
NH&S, Chicago
Sr. vp-media dir., David Drake
Vp-assoc. media dir., Glenn J. Erdell
Media supr., Lynne Palmore
Media plnr., Christine Brigham
Print plnr., Janice T. Bailey
Local bdcst. buyer, Lenore Murphy
Vp-network dir., Wesley P. Dubin
Network suprs.: Joan Murphy (tv), Ira Berger (radio)
Network plnr., Betty Pat McCoy
Sr. vp-mgmt. rep., James E. Fasules
Acct. supr., Karen M. Wagenknecht
Acct. exec., Karl Buhl

49.
MATTEL toys
Mattel

	media dollars	
	1980	1981
Magazines	$ 1,521,000	$ 3,580,000
Supps	214,000	102,000
Newspapers	722,000	2,186,000
Network tv	14,557,000	25,919,000
Spot tv	8,410,000	9,975,000
Network radio	—	—
Spot radio	12,000	30,000
Outdoor	—	20,000
Total	**$25,436,000**	**$41,782,000**

Classification: games (LNA G-450)
Marketing/brand management:
Vp-mktg. services, Pat Feely
Dir. adv., Lois Hanrahan
Agency: Ogilvy & Mather, L.A.
Exec. med. dir., Jim Sermanek
Media dir., Dianna Brannon
Assoc. media dirs., Mary Flatlie, Tom Coglin

50.
EXXON gasoline
Exxon

	media dollars	
	1980	1981
Magazines	$ 824,000	$ 6,701,000
Supps	—	—
Newspapers	2,617,000	1,110,000
Network tv	9,891,000	24,199,000
Spot tv	4,711,000	6,247,000
Network radio	343,000	313,000
Spot radio	894,000	2,684,000
Outdoor	269,000	258,000
Total	**$19,548,000**	**$41,512,000**

Classifications: general (LNA T-230); gasoline, oil (LNA T-210)
Marketing/brand management:
Advtg. mgrs., R. C. Knowles (marketing, J. B. Davis (public affairs)

Mgr. comm. programs, J. Kenneth Kansas
Agencies: McCann-Erickson
Exec. vp-mgmt. supr., J. G. Hetherly
Vp-mktg. dir., Jim Shelby
Vp-acct. supr., R. T. Brogam
Vp-media dir., Charles C. Miller
McCaffrey & McCall, New York
Sr. vp-grp. acct. mgmt., John B. Collins
Vp-acct. suprs.: Ralph Thomas, Sam Fertig
Sr. vp-media dir., Harris Lefkon
Vp.-med. mgr., Tom Wilson
Assoc. med. dir., Hans Zucker
Med. supr., Ann Price

51.
POLAROID cameras

	media dollars	
	1980	1981
Magazines	$ 5,140,000	$ 6,418,000
Supps	158,000	51,000
Newspapers	900,000	2,267,000
Network tv	29,813,000	30,334,000
Spot tv	905,000	1,457,000
Network radio	413,000	—
Spot radio	—	—
Outdoor	5,000	—
Total	**$37,334,000**	**$40,527,000**

Classification: cameras (LNA G-230)
Marketing/brand management:
Vp. mktg., commun., Theodore Voss
Dir. No. Amer. adv., James Andrews
Dir. U.S. cons. advert., Laurence Beeson
Grp. adv. mgr., Harry Falber
Ad. mgr., Richard Grachetti
Asst. adv. mgr., Stephan Bassett
Agency: Doyle Dane Bernbach, N.Y.
Grp. sr. vp, James V. McConnell Jr.
Exec. vp-media div., Mike Drexler
Vp-media planning dir., Steve Caputo
Asst. media planner: Angelo Kalogiannia, Elizabeth Saslow, Chris Tinkham

52.
DU PONT

	media dollars	
	1980	1981
Magazines	$20,536,000	$23,674,000
Supps	1,581,000	2,209,000
Newspapers	283,000	300,000
Network tv	15,729,000	11,688,000
Spot tv	2,210,000	1,651,000
Network radio	22,000	65,000
Spot radio	244,000	395,000
Outdoor	4,000	3,000
Total	**$40,609,000**	**$39,985,000**

Classifications: manufactured materials (LNA B-510); paints (LNA H-541); apparel fabrics (LNA A-170); automotive accessories (LNA T-150)
Marketing/brand management:
Dir. mktg. comm., H. Lloyd Taylor
Adv. mg'rs., J. M. Murray, 2nd (paint), John Swajeski (auto products and Corian), John E. Sly (Teflon), J. B. Brett, Jr. (carpet fibers and Fiberfill)
Adv./prom. reps. E. R. Albright (men's apparel), Robert Altmaier (Teflon)
Frank Ockenfels (Qiana)
Duane Roach (Womenswear/Dacron)
Al Carnavale (Sweaters)
Carol Gee (Int. App.)
F. Kelly (Craft Yarns)
B. Bispham (Home Furn)
I. J. Kappes (Men's Hosiery)
Agencies: NW Ayer, New York
(Paint, Teflon, Corian)
Sr. vp-mgmt. supr., Mark Bollman
Sr. vp-media dir., Marcella Rosen
BBDO, New York
Sr. vp-mgmt. supr., Bernie Gross
Exec. vp-dir. media/net. prog., Arnie Semsky
Vp-assoc. media dir., Bill Wiener
Vp-asst. media dir., Mike Bienstock
Vp-acct. suprs., Bill Beste, Ed Carrington, Pam Gould

Philadelphia.
Now What?

SPAN

Now that the Bulletin is gone, you have an even better alternative to reach your market... SPAN...the Suburban Philadelphia Area Newspapers network. It's the upscale, #2 buy that effectively covers the best of the market - the suburbs.

420,000 circulation. 14 newspapers. One order/one bill. Ask for SPAN's new market kit showing the new way to buy the Philadelphia ADI...without the Bulletin.
In Philadelphia: Tom Phillips (215) 527-5011; in New York: Roger Power (212) 867-1112.

Nationally marketed by
LANDON ASSOCIATES, INC.
23 offices coast-to-coast

53.

COLUMBIA motion pictures

Columbia Pictures

	media dollars 1980	media dollars 1981
Magazines	$ 1,172,000	$ 1,225,000
Supps	53,000	18,000
Newspapers	123,000	29,000
Network tv	27,121,000	32,612,000
Spot tv	5,141,000	2,763,000
Network radio	—	61,000
Spot radio	2,698,000	3,101,000
Outdoor	9,000	22,000
Total	**$36,317,000**	**$39,831,000**

Classification: movies (LNA G-310)
Marketing/brand management:
Vp-adv. & promo., Steve Astor
Agency: Stursberg & Hewitt, N.Y.
Vp-client serv., David Stone
Med. dir., Lynn Promotion, Gerry Rosen

54.

DELTA (Delta Air Lines)

	media dollars 1980	media dollars 1981
Magazines	$ 809,000	$ 1,231,000
Supps	—	—
Newspapers	20,133,000	21,471,000
Network tv	—	64,000
Spot tv	4,598,000	5,096,000
Network radio	—	—
Spot radio	8,045,000	10,310,000
Outdoor	1,312,000	1,600,000
Total	**$34,897,000**	**$39,772,000**

Classification: travel (LNA T-410)

Marketing/brand management:
Senior vice-president, marketing, J. A. Cooper
System mgr.-adv., Tom Porter

Agency: Burke Dowling Adams/BBDO, Atlanta
Pres./mgmt. supr., Glenn Verrill
Vp-acct. supr., Jack Walz
Vp-media dir., Martin Hollinger
Plan. super., Cindy Abramovitz

55.

SEAGRAM liquors

Seagram Distillers Co.

	media dollars 1980	media dollars 1981
Magazines	$32,122,000	$29,742,000
Supps	2,140,000	2,027,000
Newspapers	4,397,000	2,384,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	3,707,000	4,975,000
Total	**$42,366,000**	**$39,128,000**

Classification: liquor (LNA F-330)
Marketing/brand management:
Exec. vp-mktg., Joel Weiner
Agencies: Warwick, Welsh & Miller, New York
Grp. sr. vp-mgmt. supr., James Driscoll
Sr. vp-mgmt. suprs.: Mike Graham, Ken Sammon
Grp. sr. vp-media and admin., John Meskil
Sr. vp-media dir., Dominick Spoto
Vp-media supr., Gordon Bring
Vp-media supr., Peter Dalton
Vp-media supr., Jerry Seuferling
Media supr., Marilyn Alterman
William Esty, New York
Sr. vp-management supr., John Scott
Vp-account supr., Stanley Joyce
Sr. vp-media, Peter Triolo
Vp-assoc. media, dir., G. Grennan

56.

SEVEN-UP soft drink

Philip Morris

	media dollars 1980	media dollars 1981
Magazines	—	$ 2,774,000
Supps	$ 646,000	256,000
Newspapers	1,301,000	1,087,000
Network tv	21,321,000	24,085,000
Spot tv	3,992,000	3,957,000
Network radio	—	—
Spot radio	4,221,000	3,868,000
Outdoor	446,000	1,896,000
Total	**31,927,000**	**$37,923,000**

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Sr. vp-corp. mktg., A. J. Bissmeyer III
Dir. dist. plng., Todd Ryan
Dir. mktg. services, James Perabo
Vp-brand mgmt., David Smith
Vp-media & mktg. serv. Ralph Countryman
Agency: N W Ayer, New York
Exec vp-mgmt. supr., Dominick Rossi

Seagram's VO

It's in VOGUE.

The book women live by.

Acct. execs.: Duncan Gray, Pip Muir, Kathy Hayes, Chris Hooper, Howard Sherman
Mgmt. supr., Steve Bretschneider
Acct. supr., Keith McCarren, Jim Haag
Sr. vp-media dir., Marcella Rosen
Assoc. media dir., Allen Brivie
Media suprs., Rich Alcott (regular) Mimi Ritter (diet)
Media planners, Jim Cadwell (regular), Abbie Van Nostrand (diet)
Asst. plnr., Roberta Reissman

57.
TWA
Trans World Airlines

	media dollars 1980	1981
Magazines	$ 2,071,000	$ 3,272,000
Supps	28,000	199,000
Newspapers	17,427,000	17,354,000
Network tv	1,493,000	1,652,000
Spot tv	8,810,000	9,345,000
Network radio	—	648,000
Spot radio	4,637,000	4,757,000
Outdoor	26,000	42,000
Total	**$34,492,000**	**$37,269,000**

Classification: passenger travel (LNA T-410)
Marketing/brand management:
Staff vp-pass. mktg., Larry Toulouse
Agency: Ogilvy & Mather, New York
Exec. dir. med. oper., Ken Caffrey, Jr.
Vp-asst. media dir., Jack Deitchman
Mgmt. supr.-leisure, Steven Morvay, Kelly O'Dea
Mgmt. supr., Max Bisset
Asst. med. dir., Dr. Tony Desena

58.
OIL OF OLAY
Richardson-Vicks

	media dollars 1980	1981
Magazines	$ 2,758,000	$ 3,222,000
Supps	—	—
Newspapers	—	—
Network tv	26,499,000	27,889,000
Spot tv	2,481,000	4,651,000
Network radio	—	1,232,000
Spot radio	—	177,000
Outdoor	—	—
Total	**$31,738,000**	**$37,171,000**

Classification: cosmetics (LNA D-110)
Marketing/brand management:
Dir. of media, Irwin Fleischer
Media coordinator, Evelyn Fitzsimmons
Mktg. mgr., Peter Wilson
Agency: Young & Rubicam, New York
Acct. supr., Robert Donahoe
Vp-med. grp. supr., Carla Pascale
Med. supr., Donna Campanella
Sr. plnr., Jim Roxbury

59.
TYLENOL products
Johnson & Johnson

	media dollars 1980	1981
Magazines	$ 2,359,000	$ 2,818,000
Supps	—	96,000
Newspapers	70,000	—
Network tv	23,273,000	31,971,000
Spot tv	793,000	1,881,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$26,495,000**	**$36,766,000**

Classification: headache remedies (LNA D-211)
Marketing/brand management:
Prod. dir., Sal Uglietta
Agency: Compton, New York
Acct. supr., John Sloan
Mgmt. supr., Tom Lom
Media mgr., Carol Karasick

60.
CADILLAC cars
General Motors

	media dollars 1980	1981
Magazines	$ 3,886,000	$ 6,212,000
Supps	101,000	66,000
Newspapers	9,621,000	13,522,000
Network tv	2,421,000	6,012,000
Spot tv	6,543,000	5,338,000
Network radio	—	—
Spot radio	2,367,000	1,321,000
Outdoor	198,000	198,000
Total	**$25,137,000**	**$36,669,000**

Classification: passenger cars (LNA T-110)
Marketing/brand management:
Mktg. dir., Gordon Horsburgh
Dir. mdsg., R. B. Welday
Asst. dir. mdsg., F. R. Cadicamo, W. J. Dean
Agency: D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.
Pres., James T. Doyle
Sr. vp.-mgmt. supr., Alex Morton
Sr. vp dir. med., Lucien Di Salvo
Vp. med. dir., Robert Spaulding
Vp-acct. supr., Robert Wallace
Assoc. media dir., Marty Choinski

61.
KENTUCKY FRIED CHICKEN
Heublein

	media dollars 1980	1981
Magazines	—	—
Supps	—	
Newspapers	(no data)	(no data)
Network tv	$16,772,000	$20,371,000
Spot tv	12,641,000	15,290,000
Network radio	—	—
Spot radio	1,242,000	459,000
Outdoor	343,000	531,000
Total	**$30,998,000**	**$36,551,000**

Classification: restaurants (LNA G-330)
Marketing/brand management:
Exec. dir., Phillip E. Risinger
Mktg. mgr., Michael O. Willson
Agency: Young & Rubicam, N.Y.
Sr. vp-mgmt. dir., John McGarry
Sr. mgmt. supr., Edward Lebar
Vp-grp. supr., Joe Mannix

62.
PILLSBURY foods
Pillsbury

	media dollars 1980	1981
Magazines	$ 3,386,000	$ 3,575,000
Supps	—	51,000
Newspapers	683,000	726,000
Network tv	20,887,000	25,203,000
Spot tv	7,554,000	6,810,000
Network radio	314,000	—
Spot radio	10,000	115,000
Outdoor	—	—
Total	**$32,834,000**	**$36,480,000**

Classifications: bakery goods (LNA F-160); cooking products (LNA F-110); prepared foods (LNA F-120)
Marketing/brand management:
Vp-general manager: Raymond Kimrey (refrigerated products), Thomas McBurney (dry grocery products), Kent Larson (frozen products), Don Osell (diversified products), William McGrath (business development)

Directors of marketing: Richard Nickel (frozen pizza), Geo. McCarthy (frozen entrees), Pete Mihajlov (refrigerated foods), Daniel Locke (dry grocery prods.)
Director-advert. services: William Edgley

Agencies: Leo Burnett, Chicago
Grp. vp., list prods., William Boris
Account dir., Bill Wohlfeil
Sr. vp-media serv. dir., Kenneth Lane
Media dir.: Lincoln Bumba

Paragon Advertising, Mpls.
Sr. vp-acct. supr., Phil Hummel
Media dir., Steve Anderson

Ketchum Advtg., San Francisco
Sr. vp-mgmt. supr.: Dean Schwatz, Tom Kettinger
Assoc. media dir., Cheryl Kahn
Sr. vp-media dir., Richard Hamilton

JWT, New York
Vp-media, Thurman Pierce

BBDO, New York
Vp-mgmt. super., Bob Spofford
Vp-acct. super., Lonny Strum
Vp-acct. super., Bill McDaniel
Exec. vp-director of Media & Programming, Arnie Semsky
Assoc. dir., Mike Drake
Asst. dir., Bruno Crea

63.
BENSON & HEDGES
Philip Morris

	media dollars 1980	media dollars 1981
Magazines	$15,652,000	$19,485,000
Supps	3,260,000	4,800,000
Newspapers	6,597,000	7,032,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	5,264,000	4,554,000
Total	**$30,773,000**	**$35,871,000**

Classification: tobacco (LNA G-110)
Marketing/brand management:
Vp-brand & promotion, Robert Fitzmaurice
Brand mgr., William K. Cutler
Vp-media, James L. Thompson, Jr.

Agency: Wells, Rich, Greene, NY
Sr. vp-acct. grp. head, Ed Wax
Vp-mgmt. supers.: Jane Eastman, Vince Minicucci
Sr. vp-corp. med. dir., Bob Geis
Vp-plng. servs. dir., Steve Ziglar
Vp-plng. grp., Bernie Goldstein

64.
GENERAL MOTORS
Corporate
General Motors

	media dollars 1980	media dollars 1981
Magazines	$11,041,000	$14,010,000
Supps	350,000	201,200
Newspapers	3,715,000	5,367,000
Network tv	23,751,000	14,716,000
Spot tv	263,000	129,000
Network radio	398,000	770,000
Spot radio	—	—
Outdoor	36,000	18,000
Total	**$39,554,000**	**$35,211,000**

Classification: general promotion (LNA T-111, 154)
Marketing/brand management:
(Corporate advertising)
Vp-sales & mktg., R. D. Lund
Exec. dir., mktg., J. N. Stewart
Advtg. mng., D. J. Teasdale
Asst. advtg. mng., J. W. Finney
Asst. advtg. mgr., D. K. Murley
Asst. advtg. mgr., D. J. Bolen
(public affairs advertising)
Vp-pub. rel., J. W. McNulty
Advtg. mgr., G. H. Pruette
Asst. advtg. mgr., Christy L. Woods
Agencies: D'Arcy-MacManus & Masius, Bloomfield Hills, Mich.
Mgmt, supr., Milton F. Coulson, Jr.
Vp-acct. supr., William A. Mara, Jr.
Acct. supr., Leo A. Hillebrand, Jr.
Vp-med. dir., Robert Spaulding
Assoc. media dir., Ed Coosala
UniWorld Group, New York
Pres., Byron Lewis
Media dir., Pat Stevenson
Acct. exec., Bernard Baskett
NW Ayer, Detroit
(public affairs)
Vp-gen. mgr., Robert Kingsbury
Vp-acct. supr., Richard Prince
Vp-med. dir., Randall Schroeder

65.
LIPTON
Thomas J. Lipton, Inc.

	media dollars 1980	media dollars 1981
Magazines	$ 4,376,000	$ 3,878,000
Supps	69,000	238,000
Newspapers	505,000	701,000
Network tv	19,925,000	24,012,000
Spot tv	5,792,000	6,152,000
Network radio	—	—
Spot radio	167,000	130,000
Outdoor	99,000	—
Total	**$30,933,000**	**$35,111,000**

Classifications: prepared foods (LNA F-120); food beverages (LNA F-170)
Marketing/brand management:
Media dir., Norman V. Osborn
Agencies: TJL Media (in-house)
SSC&B (creative only)
Exec. vp-F. Stone Roberts

66.
NOW cigarettes
R. J. Reynolds

	media dollars 1980	media dollars 1981
Magazines	$15,251,000	$12,300,000
Supps	4,974,000	4,622,000
Newspapers	19,448,000	18,025,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	5,905,000	55,000
Total	**$45,578,000**	**$35,002,000**

Classification: Tobacco (LNA G-110)
Marketing/brand management:
Dir. mktg. serv., Marty Orlowsky
Mktg. dir., John Shostak
Dir. media, Dan Pearson
Grp. plng. mgr., Bernie Bauguess
Agency: Leber, Katz & Partners, NY
Acct. grp. supr., Jeff Palmer
Sr. vp-media dir., Charles Buccieri

67.
JOHNSON'S baby products
Johnson & Johnson

	media dollars 1980	media dollars 1981
Magazines	$ 6,688,000	$ 9,937,000
Supps	1,322,000	884,000
Newspapers	868,000	1,771,000
Network tv	28,859,000	18,104,000
Spot tv	2,505,000	878,000
Network radio	314,000	134,000
Spot radio	610,000	2,996,000
Outdoor	—	—
Total	**$40,298,000**	**$34,704,000**

Classifications: hair products (LNA D-140); skin lotions (LNA D-216); diapers (LNA A-121)
Marketing/brand management:
Dir. mktg. (toiletries), Bill Egan
Gen. mgr. (disposables), E. West
Agencies: Young & Rubicam, N.Y.
Sr. vp-mgmt. supr., Gene O'Sullivan
Grp. supr., Beth Rockwood
Media supr., David Verklin

SSC&B, New York
Sr. vp-mgmt., supr., Dick Ellington
Exec. vp-media & net. prog., Larry Lamattina
Vp-assoc. media dir., Janice Clements
Asst. media dir., Mae Ling

68.
CAMEL cigarettes
R. J. Reynolds

	media dollars 1980	1981
Magazines	$13,973,000	$ 8,917,000
Supps	290,000	—
Newspapers	9,051,000	14,566,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	7,851,000	10,786,000
Total	$31,165,000	$34,269,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Dir. mktg. serv., Marty Orlowski
Mktg. dir., John Shostak
Dir. media, Dan Pearson
Grp. planning mgr., Bernie Bauguess
Agency: BBDO, New York
Sr. vp-mgmt. supr., William Badger
Sr. vp-acct. supr., Kenneth Angel
Sr. vp-dir., media & progr., Arnold Semsky

69.
JELL-O desserts
General Foods

	media dollars 1980	1981
Magazines	$ 5,969,000	$ 8,391,000
Supps	25,000	159,000
Newspapers	131,000	219,000
Network tv	18,512,000	20,398,000
Spot tv	4,257,000	4,842,000
Network radio	—	—
Spot radio	3,000	—
Outdoor	—	—
Total	$28,897,000	$34,009,000

Classification: desserts (LNA F-115)
Marketing/brand management:
Gen. mgr., Pete Rosow
Mktg. mgr., Griff Dixcy
Cat. mgr., Ed Collier
The media group includes:
Dir. media servs.; David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth
Agency: Young & Rubicam, N.Y.
Sr. vp-mgmt. supr., Mathew Crisci
Vp-media grp. supr., Diane Meskill
Media suprs.: Greg Billie (gelatin), Linda Wernick (puddings)

70.
WARNER
Warner Bros., Inc.

	media dollars 1980	1981
Magazines	$ 812,000	$ 1,186,000
Supps	—	—
Newspapers	192,000	221,000
Network tv	24,181,000	22,768,000
Spot tv	4,901,000	8,146,000
Network radio	21,000	160,000
Spot radio	2,362,000	959,000
Outdoor	297,000	41,000
Total	$32,766,000	$33,481,000

Classification: amusements (LNA G-300, B-410, H-330)
Marketing/brand management:
Vp-creative advertising, Joel Wayne
Vp-dir. of media, Mardi Marans
Exec. vp-worldwide adv., Sanford E. Reisenbach
Vp. mark. res., Richard Del Belso
Agencies: Burbank Advertising, Burbank, CA (house agency)
Adv. dir., (records), Shelly Cooper
Grey Advertising, New York
(Motion pictures)
Acct. supr., Len Fogge
Sr. vp-dir. media & prog., Alec Gerster
Vp-assoc. media dir., Richard Thaler

71.
NESTLE foods
The Nestle Co.

	media dollars 1980	1981
Magazines	$ 1,700,000	$ 2,431,000
Supps	168,000	384,000
Newspapers	1,424,000	1,357,000
Network tv	16,745,000	13,408,000
Spot tv	13,190,000	12,953,000
Network radio	1,031,000	2,136,000
Spot radio	122,000	609,000
Outdoor	121,000	—
Total	$34,501,000	$33,278,000

Classifications: confectionery (LNA F-210); food beverages (LNA F-170); cooking products (LNA F-110)
Marketing/brand management:
Dir. adv., Dewey Yeager
Advtg mgrs.: Steven Merry, Isabel Torbert
Adv. asst., R. W. Sperry
Mgr., new products, Kenneth Murphy
Grp. vp-coffee & tea, W. I. Savel
Mktg., mgr. (coffee), Tom McInerny
Tea mktg. mgr. (Culinary), Thomas Tanski
Mktg. mgr. (chocolate/culinary) Frank Arthofer
Grp. vp-food service, commercial & specialty business, Steve Phillips
Agencies: Leo Burnett, Chicago
(Cheese morsels, chocolate drinks, new cookery, new products)
Client serv. dir., Bill Smith
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Dick Hobbs
McCann-Erickson, New York
(Nescafe & Quik)
Sr. vp-mgmt. rep., Robert Wadsworth
Vp-assoc. plng. dir., Susan Brady

72.
CANON products
Canon Inc.

	media dollars 1980	1981
Magazines	$ 9,948,000	$ 9,227,000
Supps	134,000	17,000
Newspapers	661,000	992,000
Network tv	12,295,000	16,586,000
Spot tv	4,154,000	4,810,000
Network radio	841,000	1,389,000
Spot radio	32,000	9,000
Outdoor	179,000	195,000
Total	$28,244,000	$33,225,000

Classification: cameras (LNA G-230); business machines (LNA B-310)
Marketing/brand management:
Adv. mgrs.: T. Hirasawa (cameras), H. Hirai (copiers), H. Iwanami (calculators)
Agencies: Grey, New York
Vp, mgmt. supr., Larry Levy
Vp-assoc. media dir., John Jacobs
Dentsu, New York
Acct. supr., Frank Savarese (cameras)
Mgmt. supr., Richard Pressman (office equipment)
Media dir., Bill Barrett
Assoc. media dir., Shelly Senzon

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73.
VICKS
Richardson-Vicks

	media dollars	
	1980	1981
Magazines	$ 39,000	—
Supps	—	—
Newspapers	290,000	152,000
Network tv	19,123,000	28,004,000
Spot tv	4,009,000	4,409,000
Network radio	—	—
Spot radio	48,000	—
Outdoor	—	—
Total	$23,509,000	$32,565,000

Classification: medicines (LNA D-210)
Marketing/brand management:
(Health Care Division)
Mktg. dirs.: Wayne LoCurto, Steve Bryan, Dieter Weng
Mktg. mgrs.: Dane Battiato, Bill Thomson
Media dir., Irwin Fleischer
Agencies: Benton & Bowles, N.Y.
Acct. dir., Richard Hoople
Sr. vp-dir. media mgmt., Michael Moore
Vp-assoc. media dir., Jeri Dack
Young & Rubicam, New York
Sr. vp-mgmt. supr., Robert Gleckler
Sr. vp-dir. comm. dev., Theresa, MacDonald
Vp-acct. super., David Nichols
Vp-med. gr. super, Leo Scullin
Med. plan. super., Susan Mark

74.
NBC radio/tv
RCA Corp.

	media dollars	
	1980	1981
Magazines	$13,681,000	$12,915,000
Supps	9,000	—
Newspapers	15,488,000	13,727,000
Network tv	—	—
Spot tv	2,542,000	4,370,000
Network radio	1,410,000	1,222,000
Spot radio	116,000	381,000
Outdoor	39,000	—
Total	$33,285,000	$32,515,000

Classifications: tv stations (LNA B-440); radio stations (LNA B-440)
Marketing/brand management:
NBC tv network/advertising & creative services)
Vp-advertising & creative services, Steve Sohmer
Vp-advtg. operations, Francis N. Pintauro (New York)
Vp-on air promotion & print copy, Paula Mermelstein (New York)
Vp-print & design, Charles V. Blake
Vp-advtg., Noel Engler
Vp-talent relations & crea. serv. (West Coast), Jay Michelis
Agency: McCann Erickson, NY
Acct. Exec., Frank Pascual
Acct. dir., John Dunne
Sr. vp-mgmt. rep., Bob Ravitz
Vp-grp. media head, Vincent Tortorelli
Sr. media plnr., Judy Sullivan

75.
ABC
American Broadcasting

	media dollars	
	1980	1981
Magazines	$17,435,000	$14,356,000
Supps	—	—
Newspapers	11,808,000	10,240,000
Network tv	—	—
Spot tv	4,772,000	5,926,000
Network radio	2,067,000	1,087,000
Spot radio	213,000	93,000
Outdoor	677,000	443,000
Total	$36,972,000	$32,145,000

Classifications: tv stations (LNA B-440); radio stations (LNA B-430)
Marketing/brand management:
(tv network)
Vp-natl. advtg. dir., Paul W. Barrett
Dir. advtg./prom., Russell Roney
(owned tv stations)
Vp-creative serv., John Olken
Agencies: McCaffrey & McCall, N.Y.
(TV network, News, Sports)
Sr. vp-acct. exec., Norman Freedman
Acct. execs., Bill Bolster, Barry Weintraub, Pat Corrigan
Sen. vp-media dir., Harris Lefkon
Assoc. media dir., Hans Zucker
Media supr., Grace Mathias
Grey, New York
(Movies, ABC Theatre)
Sr. vp-dir. media & prog., Alec Gerster
Vp, Donald Foley
Acct. supr., Robert Grifin

76.
GILLETTE toiletries
Gillette

	media dollars	
	1980	1981
Magazines	$ 3,154,000	$ 2,635,000
Supps	174,000	587,000
Newspapers	341,000	1,307,000
Network tv	25,456,000	24,713,000
Spot tv	5,010,000	2,631,000
Network radio	—	—
Spot radio	—	12,000
Outdoor	—	—
Total	$34,135,000	$31,885,000

Classifications (LNA): D-124 deodorants, D-126 men's shaving equipment, D-127 women's shaving equipment, D-128 combination copy, D-144 hair dryers & stylers, D-221 appliances & equipment
Marketing/brand management:
Vps-mktg., Derek Coward (safety razor) Robert Ray (President, appliances) Robert Forman (personal care)
Vp-adv. services, Thomas Ryan
Dir.-media services, Allen Gibbs
Dir.-media buying, Thomas Lux
Dir.-network buying, Howard Fisher
Dir.-prom. serv., Robert Evans
Agencies: BBDO, New York
Exec. vp-dir. media & net. prog., Arnie Semsky
(Right Guard)
Vp-mgmt. supr., William Kelly
Acct. supr., Barbara Day
Vp-assoc. media dir., Jane Fuller
Asst. media dir., Mark Buttitta
(Trac II, Good News, Atra, Swivel)
Sr. vp-mgmt. supr., William Badger
Vp-acct. supr., Michael Paxton
Vp-assoc. media dirs., Jane Fuller
Vp-asst. media dir., Mike Hedge
Marschalk, New York
(Tame, Foamy, Trac II, Shave Cream, Daisy, Just Whistle, Flair)
Acct. suprs.: Terry Levine, Dennis Zolnierzak, Jeffrey Adams
Vp-mgmt. serv. dirs.: John Dooner, Dan Cohen
Exec. vp-media dir., Arthur Wilen
Dir. media plng., Stephen Segal
Assoc. media dir., Janet Polesel
McCann-Erickson, New York
(Atra Razor)
Vp-mgmt. supr., Don Dillon
Acct. supr., Richard Costello
Vp-media grp. head, Vince Tortorelli

77.
VIRGINIA SLIMS cigarettes
Philip Morris

	media dollars	
	1980	1981
Magazines	$12,090,000	$16,923,000
Supps	747,000	3,308,000
Newspapers	3,439,000	6,464,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	4,802,000	4,828,000
Total	$21,078,000	$31,523,000

Classification: cigarettes (LNA G-110)
Marketing/brand management:
Brand mgr., Larry Wilson
Agency: Leo Burnett, Chicago
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Bob Houghtlin
Client serv. dir., Bill Engelbrecht

78.

IBM

International Business Machines

media dollars	1980	1981
Magazines	$ 6,828,000	$10,386,000
Supps	154,000	417,000
Newspapers	722,000	1,937,000
Network tv	14,777,000	15,441,000
Spot tv	532,000	1,015,000
Network radio	371,000	445,000
Spot radio	1,040,000	1,574,000
Outdoor	3,000	—
Total	**$24,427,000**	**$31,215,000**

Classification: office machines (LNA B-310)

Marketing/brand management: (IBM corporate)

Dir. advtg., C. G. Francis

Dir. advtg. programs, Byron Quann

Mgr. corp. print, William Harrison

Mgr. corp. tv: Don Frischman

(National mktg. div.)

Mgr. adv., Ken Bridges

(Data Processing div.)

Mgr. adv., Don Butters

(Federal Systems)

Mgr. adv., Bill Corey

(General Systems)

Mgr. adv., D. Coker

(IBM world trade — A/Fe)

Mgr. adv., J. J. Godin

Agencies: Lord, Geller, Federico, Einstein, New York

Sr. vp-media dir., William L. Siebert

Vp-assoc. media dir., Jerry Mitty

Vp-mgmt. supr., Albert Berger

Acct. supr., Moira Hearne

(personal computers)

Mgmt. supr., Robert Walls

Acct. suprs.: John Steinle, Charles Zollo

Doyle Dane Bernbach, New York

Mgmt. supr., Nancy Wiese

Exec. vp; media & prog., Michael Moore

Vp-media plng. dirs.: John Pansuit, Conart Sawyer

Geer, DuBois, New York

Sr. vp-media dir., Alan Johnson

Vp-media plng., dir., Joy Sliwa

Sr. vp-grp. supr., John V. Allen

Acct. supr., Linda Wender

Marsteller, New York

(IBM Federal Systems)

Vp mgt. supr., James W. Waechter

Vp-media dir., Joseph H. Newman

Compton, New York

(IBM office products)

Vp. acct. supr., John Ammon

Acct. exec., Scott Jennings

79.

TIME-LIFE

Time, Inc.

media dollars	1980	1981
Magazines	$17,659,000	$20,612,000
Supps	1,123,000	2,959,000
Newspapers	2,529,000	2,610,000
Network tv	1,832,000	1,274,000
Spot tv	5,064,000	3,376,000
Network radio	6,000	48,000
Outdoor	6,000	—
Total	**$28,219,000**	**$30,879,000**

Classifications: books and music (LNA B-410); records (LNA H-330)

Marketing/brand management:

Vp. mktg. dir., Paul Stewart

Mktg. mgrs.: Bob Smith, Peter Barnes, Spencer Lambert, Tony Palms

Media administrators: Jessica Weiland, Channing Hadlock, Roger Wilson

Product managers: Diane Allison, Adriane Berner, Carol Kaplan, Yori Okuda, Lisa Schmucki

Agencies: Ayer Direct, N.Y.

(books/records)

Vp-mgmt. supr., Michael Seymour

Acct. supr., Deborah Newkerk

Media supr., Gina Buttofocco

Wunderman, Ricotta & Kline, N.Y.

Exec. vp-mgmt. supr., Tom Knowlton

Acct. super., Bob Palmer

Vp. mgmt. supr., Worth Linen and Ralph Siegler

Vp. assoc. med. dir., Maxeen Schonfeld

Media super, Rhoda M. Pawski

Planner/buyer, Virginia Molloy

Planner/buyer, Nancy Jones

Planner/buyer, Ann Jelito

A. Eicoff & Co., Chicago

Pres., Ron Bliwas

Sr. vp-management, supr., Ron Bliwas

Sr. vp-media dir., Susan Thompson

Vp-media dir., Francie Barson

Media buyers: Sheilah Moran, Beth Constantine, Alice Boswell

80.

CBS tv/radio

CBS Inc.

media dollars	1980	1981
Magazines	$17,238,000	$17,929,000
Supps	—	—
Newspapers	7,870,000	8,658,000
Network tv	—	—
Spot tv	923,000	1,332,000
Network radio	3,088,000	2,510,000
Spot radio	100,000	143,000
Outdoor	814,000	73,000
Total	**$30,033,000**	**$30,635,000**

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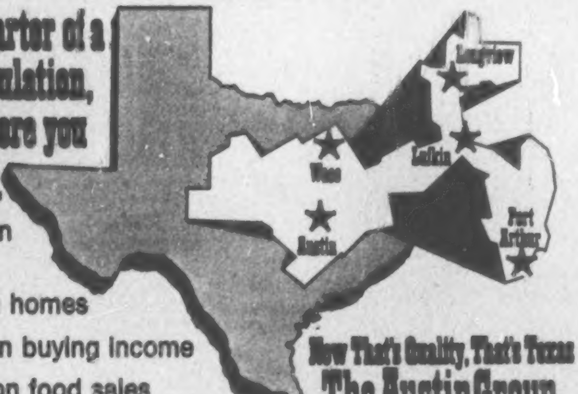

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Classifications: radio stations (LNA B-430); tv stations (LNA B-440)

Marketing/brand management:

Vp-creative dir. advtg. & design, Louis Dorfsman
Vp-med. serv., Warren Spellman
Dir., adv. oper., James Shumaker
Vp-sls./mktg., CBS tv stations, Kenneth Hall
Vp-sls./mktg., CBS Radio, Gail Barker

Advertising Agencies: Doyle Dane Bernbach Inc., New York

(CBS Inc., CBS/Broadcast)
Vp-Jack Cohen,

Drossman Yustein Clowes, New York

(CBS Cable)
Vp-Maria Reveley

Ogilvy & Mather, New York

(CBS RadioRadio)
Acct. super., Cal Lockwood

81.

NABISCO food products

Nabisco

	media dollars 1980	1981
Magazines	$ 2,997,000	$ 3,752,000
Supps	297,000	982,000
Newspapers	580,000	3,085,000
Network tv	17,785,000	18,187,000
Spot tv	5,501,000	2,957,000
Network radio	—	1,357,000
Spot radio	157,000	188,000
Outdoor	—	—
Total	**$27,317,000**	**$30,508,000**

Classifications: bakery goods (LNA F-160); prepared foods (LNA F-120); confectionery (LNA F-210)

Marketing/brand management:

Vp-dir.-mktg. (biscuits), J. Maxwell Enock
Vp-mktg., William McKnight (special prod.)
Adv. mgr. (biscuits) Dan Bonardi
Grp. brand mgrs., Ruth Brodsky (ready to eat cereals); Robert Bartz (hot cereals, Dromedary); Steven Wilkerson (pet foods), John Di Blasio (cookies), W. R. Stuart (crackers)
Vp-comm., Lee Abbott
Mgr. media services, Lou Rubinacci
Dir. mktg. (special prod.), George Erfurt
Dir. of mktg., Mel Perlmutter (snack foods)

Agencies: William Esty, New York

Sen. vp-media dir., Peter Tripio
Assoc. media dirs.: Joe Reese (special prods.), Phil Schwetz (biscuits)
Acct. suprs.: John Hughes (biscuits); J. Wheaton (special prods.), R. Geyer (snack foods)
Mgmt. suprs.: Jeff Greene (biscuits); Tom Hayes (special prods.); Andrew Allen (snack foods/special products)

McCann-Erickson, New York

Sr. vp-mgmt. rep., Bob Wadsworth
Vp-acct. dir., Gary Schwinder
Vp-assoc. plng. dir., Rick Gallagher
Sr. plnr., Michele Belier

82.

PLYMOUTH

Chrysler Corp.

	media dollars 1980	1981
Magazines	$ 4,540,000	$ 4,495,000
Supps	—	—
Newspapers	1,059,000	3,442,000
Network tv	15,644,000	14,358,000
Spot tv	3,063,000	6,975,000
Network radio	8,000	318,000
Spot radio	4,252,000	676,000
Outdoor	40,000	133,000
Total	**$28,606,000**	**$30,397,000**

Classification: passenger cars (LNA T-110)

Marketing/brand management:

Adv. dir., Doyle Lott
Adv. mgr., Mike Howe

Agency: Kenyon & Eckhardt, Detroit

Chrmn., John J. Morrissey
Exec. vp-William McNealy
Sr. vp-Acting Mgmt. supr., Bruce D. Andrews
Vp-acct. supr., Lynn Vernon
Sr. vp-media dir., Phillip D. Matz
Vp-media grp. head, George Wold
Suprs./plnrs.: (cars) Craig Yateman; (dealer assn.) Judy Dennis

83.

CARLTON cigarettes

American Brands

	media dollars 1980	1981
Magazines	$13,580,000	$11,747,000
Supps	—	—
Newspapers	10,691,000	10,321,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	6,162,000	8,189,000
Total	**$28,606,000**	**$30,397,000**

Classification: tobacco (LNA G-110)

Marketing/brand management:

Adv. mgr., William J. Moore
Asst. adv. mgr., Donald R. Dugan
Prod. mgr., H. W. Bahrenburg
Media dir., Norman H. Chester

Agency: Laurence, Charles & Free, N.Y.

Acct. execs.: Kent Leyman, Ann De Franco, Tom Keane
Sr. vp-media dir., Richard Walken

84.

COORS beer

Adolph Coors Co.

	media dollars 1980	1981
Magazines	$ 142,000	$ 16,000
Supps	23,000	—
Newspapers	626,000	746,000
Network tv	3,259,000	5,481,000
Spot tv	16,303,000	14,814,000
Network radio	—	—
Spot radio	3,198,000	7,712,000
Outdoor	1,187,000	1,050,000
Total	**$24,738,000**	**$29,819,000**

Classification: beer (LNA F-310)

Marketing/brand management:

Sr. vp-mktg.: Robert A. Rechholtz
Vp-mktg., Rob Klugman
Brand dir., Mike Raymond
Brand mgr., John Rosen

Agencies: Ted Bates, N.Y.

Sr. vp. exec. dir. media/prgms., Walter Reichel
Sr. vp-dir. radio & tv, Charles Trubia
Media dir., Tom Mullen
Assoc. media dir., Gay Sussman
Media supr., Mark Mersky
Exec. vp-client serv., Randy Hackett
Sr. vp-mgmt. rep., Steve McCloskey
Vp. acct. supr., Denis Glennon
Acct. exec., Lance Smith

Ed Yardang & Associates, San Antonio

(Hispanic advertising)
Pres. co., Warren Stewart
Vp-acct. supr., Carlos Montemayor
Acct. exec., Curtis White
Media dirs., Dottie Brandt, Tony Pratt

85.

SONY electronics

Sony Corp.

	media dollars 1980	1981
Magazines	$ 7,692,000	$ 9,777,000
Supps	374,000	350,000
Newspapers	3,112,000	5,685,000
Network tv	4,581,000	10,636,000
Spot tv	530,000	1,212,000
Network radio	1,497,000	161,000
Spot radio	1,449,000	1,862,000
Outdoor	12,000	14,000
Total	**$19,247,000**	**$29,697,000**

Classification: (home electronics) (LNA H-310, 320)

Marketing/brand management:
Adv. mgr. (audio), Mitchell Deutsch
Adv. mgr. (video), Jeff Brooks

McCann-Erickson, New York
Exec. vp-dir. media servs., Eugene DeWitt
Sr. vp-mgmt. rep., Robert Ravitz
Sr. vp-acct. dir., Michael Marsak
Media grp. head, Harlan Schwarz
Assoc. plng. dir., Susan Brady

86.
COLGATE personal products
Colgate-Palmolive

	media dollars 1980	1981
Magazines	$ 2,839,000	$ 3,193,000
Supps	159,000	620,000
Newspapers	744,000	1,825,000
Network tv	14,531,000	18,730,000
Spot tv	2,449,000	3,585,000
Network radio	—	—
Spot radio	2,665,000	1,738,000
Outdoor	—	—
Total	$23,387,000	$29,691,000

Classification: personal hygiene (LNA D-120)

Marketing/brand management:
Vp-gen. mgr., A. C. Shepard
Vp-mktg., B. Spelling
Oral prods. mgr., D. L. Enfield
Dir. media, Harry Way
Media planning: George Hull, S. I. Frelich

Agency: Ted Bates, New York
Exec. vp-client servs., Roger Pisani
Sr. vp-mgmt. rep., Geoff Clarkson
Sr. vp-exec. media dir., Walter Reichel
Vp-media dir., John Potenzano
Media supr., A. P. Duffy
Acct. supr., Ila Feld

87.
AMERICAN cars
American Motors

	media dollars 1980	1981
Magazines	$ 5,749,000	$ 5,699,000
Supps	—	—
Newspapers	1,358,000	3,472,000
Network tv	13,108,000	5,233,000
Spot tv	10,599,000	14,921,000
Network radio	—	—
Spot radio	347,000	236,000
Outdoor	7,000	27,000
Total	$31,148,000	$29,588,000

Classification: passenger cars (LNA T-110)

Marketing/brand management:
Dir. of mktg., Robert Donovan
Dir., AMC mktg., Robert Donovan
Mgr., mktg., development, Gene Richmond
Mgr., AMC adv., James Jandasek
Mgr., media plng. & budgets, Ray Dreyfus
Mgr., Jeep adv., Ray Avedian

Agency: Grey, New York
Exec, vp-mgmt., rep, Robert Berenson
Vp-mgmt., supr., Robert Borgon
Sr. vp-gen. mgr., Bruce McRitchie
Sr. vp-dir. media & prgm., Alec Gerster

88.
XEROX copiers
Xerox Corp.

	media dollars 1980	1981
Magazines	$ 5,853,000	$10,295,000
Supps	—	—
Newspapers	3,103,000	5,045,000
Network tv	11,465,000	11,546,000
Spot tv	568,000	1,046,000
Network radio	—	1,191,000
Spot radio	159,000	314,000
Outdoor	—	95,000
Total	$21,[illegible]48,000	$29,532,000

Classification: office machines & equipment (LNA B-312)

Marketing/brand management:
Dir. corp. advtg. & prom., Michael E. G. Kirby
Mgr. corp. advtg. & prom., Joseph M. Cooper, Jr.

Agency: NH&S, New York
Sr. vp-mgmt. rep., Sam Hershfield
Sr. vp-media dir., Page Thompson
Assoc. media dirs.: Marianne Caponneto (corp./copiers), Jay Quinn (office products)

89.
MAYBELLINE cosmetics
Schering-Plough

	media dollars 1980	1981
Magazines	$ 5,820,000	$ 8,438,000
Supps	—	—
Newspapers	—	—
Network tv	16,581,000	18,464,000
Spot tv	2,286,000	2,301,000
Network radio	1,524,000	—
Spot radio	34,000	253,000
Outdoor	—	17,000
Total	$26,245,000	$29,473,000

Classification: cosmetics (LNA D-110)

Marketing/brand management:
Vp-adv./media/research, Bob Schreiber
Vp-mktg. (Face/Lip), Gary Mulloy
Vp-mktg. (Eye/Nail), Chris Berry

Agencies: Lake-Spiro-Shurman, Memphis
(house agency)
Exec. vp, Avron Spiro, Jr.
Vp-print media, Lynn Sanders
Spot bdcst., Gene Camerik
(Creative)

Marschalk, N.Y. (face and lip make-up)
Vp-mgmt. supr., Jerry Karp

Ted Bates, NY (eye and nail products)
Sr. vp-mgmt. rep., Joan Rothberg

90.
SCHLITZ beer
Jos. Schlitz

	media dollars 1980	1981
Magazines	$ 295,000	$ 685,000
Supps	—	—
Newspapers	183,000	178,000
Network tv	15,677,000	16,361,000
Spot tv	8,146,000	4,429,000
Network radio	41,000	64,000
Spot radio	4,105,000	7,057,000
Outdoor	370,000	628,000
Total	$28,817,000	$29,402,000

Classification: beer (LNA F-310)

Marketing/brand management:
Exec. vp-mktg., Anthony J. Amendola
Dir.-media, William J. Henke
Dir.-Schlitz and Schlitz Light brands, Gary M. Truett

Agencies: JWT, Chicago
(Schlitz)
Sr. officer, G. Broderick
Mgmt. supr., D. Lubeck
Acct. supr., W. Howard
Sr. vp-med. dir., Bob Irvine
Sr. vp-dir., med. & plan, Phil Acrber
Gr. med. dir., Ken Ohr
Sr. vp-dir. media res., Ron Kaatz
Media supr., Steve Buerger
Media planners, Chris Thompson, Constance Garace

Benton & Bowles, New York
(Schlitz Malt Liquor)
Mgmt. supr., sr. vp., Joe Carlucci
Sr. vp-media dir., Michael Moore
Assoc. media dir., Frank Massar
Media planner, Bonnie Barest

91.

REVLON cosmetics

Revlon

	media dollars	
	1980	1981
Magazines	$ 6,974,000	$ 7,635,000
Supps	158,000	224,000
Newspapers	546,000	278,000
Network tv	10,576,000	8,274,000
Spot tv	9,567,000	11,839,000
Network radio	46,000	—
Spot radio	1,073,000	621,000
Outdoor	—	—
Total	**$28,940,000**	**$28,871,000**

Classifications: cosmetics (LNA D-110); hair products (LNA D-140)

Marketing/brand management:

Exec. vp-advtg., Sanford Buchsbaum
Media dir., Anthony Cozzolino
Vp-advtg. services, George Feld
Advtg. dir., Michael Collins

Agencies: Grey, New York
(Classic Revlon, Natural Wonder, Polished Ambers, Jontue, Scoundrel Flex, Colorsilk, All International)
Vp-mgmt. supr., Robert Zimmerman
Sr. vp-dir. media & prog., Alec Gerster
Vp-assoc. media dir., Jim Bell

Altschiller Reitzfeld Solin/NCK, New York
(Milk Plus 6 & various cosmetics)
Vp-acct. supr., Jim Burns
Vp-media dir., John Miceli

92.

BIRDS EYE foods

General Foods

	media dollars	
	1980	1981
Magazines	$ 2,332,000	$ 5,123,000
Supps	—	5,000
Newspapers	211,000	431,000
Network tv	13,191,000	16,982,000
Spot tv	4,542,000	5,69[illegible],000
Network radio	—	—
Spot radio	—	4,000
Outdoor	—	—
Total	**$20,276,000**	**$30,237,000**

Classifications: vegetables (LNA F-143); cooking products (LNA F-110); prepared foods (LNA F-120)

Marketing/brand management:

Mktg. mgr., Neil Kelly
Dir., med. serv., David Braun
Assoc. dir., med. serv., P. E. Kane

Agencies: Young & Rubicam, N.Y.
Sr. vp-mgmt., supr., Ed Comisky
Acct. supr., Ken Robinson
Sr. vp-dir., comm. dev., Theresa MacDonald
Vp-media grp. supr., George Sharpe
Media supr., Beth Rockwood

Benton & Bowles, N.Y.
Sr. vp-acct. dir., Richard Hopple
Vp-acct. supr., Stephan Gramps
Sr. vp-dir., media mgmt., Michael Moore
Vp-mgr., media plng., Richard Rock

93.

UNIVERSAL CITY studios

MCA, Inc.

	media dollars	
	1980	1981
Magazines	$ 1,385,000	$ 395,000
Supps	—	—
Newspapers	—	151,000
Network tv	15,564,000	16,622,000
Spot tv	8,599,000	3,736,000
Network radio	219,000	—
Spot radio	4,890,000	6,447,000
Outdoor	282,000	247,000
Total	**$30,939,000**	**$27,598,000**

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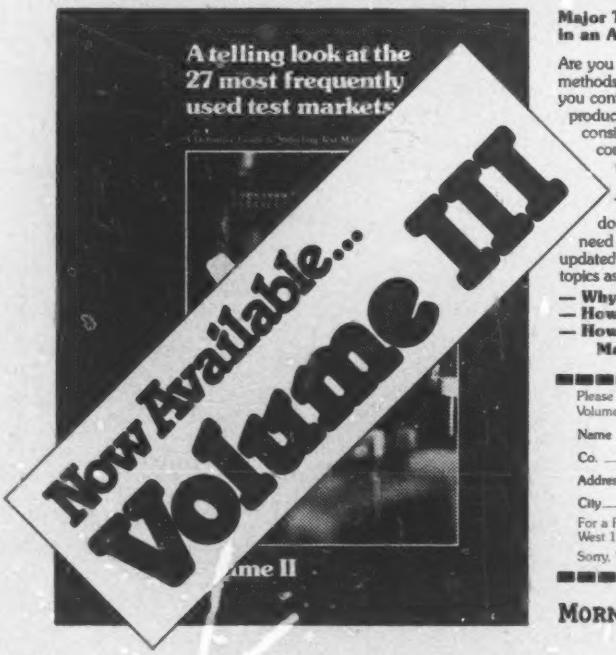

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Classification: Movies (LNA G-310)
Marketing/brand management:
Vp-mktg. research, Olen J. Earnest
Exec. vp-adv./public./promo., David A. Weitzner
Nat. dir./co-op advtg., John Butkovich
Agency: Doyle Dane, Bernbach/West
Sr. vp-mgmt. supr., Simon Kornblitt
Sr. acct. exec., Susan Taylor
Asst. acct. exec., Ann Marie Whitman
Vp-dir. media serv., Jim Spero

94.
CLOROX laundry products
Clorox

	media dollars 1980	media dollars 1981
Magazines	$ 170,000	$ 1,307,000
Supps	14,000	—
Newspapers	—	—
Network tv	17,515,000	24,551,000
Spot tv	912,000	1,720,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$18,611,000**	**$27,578,000**

Classification: laundry preparations

Marketing/brand management:
Genl. mgr., Michael R. Gallagher
Assoc. advtg. mgr., Jim Reiter
Dir. med., Robert Bolte
Agency: FC&B/Honig, San Francisco
Sr. vp-mgmt. supr., Jack Balousek
Vp-mgmt. supr., Peter Engler
Acct. suprs.: Jeff Shubert, David Shacter, Jon Dale
Sr. vp-dir. media, Theodore Block
Vp-assoc. media dir., Jean Hazelton
Media supr., David Babbitz

95.
GOODYEAR tires
Goodyear

	media dollars 1980	media dollars 1981
Magazines	$ 2,718,000	$ 2,821,000
Supps	—	—
Newspapers	—	—
Network tv	10,234,000	14,531,000
Spot tv	5,414,000	9,461,000
Network radio	354,000	760,000
Spot radio	10,000	17,000
Outdoor	217,000	—
Total	**$18,947,000**	**$27,570,000**

Classification: tires (LNA T-140)

Marketing/brand management:
Vp-advtg., John P. Kelley
Dir. advtg., George S. Lenox
Mgr. advtg., media services, George S. Drop.
Agencies: Campbell-Ewald, N.Y./Det.
(Tire division)
Exec. vp-Donald J. Bratrude (Det.)
Sr. vp-mgmt., supr., Peter Kennaby
Vp-acct. supr., Glenn Marrichi (N.Y.)
Exec. vp-media dir., Thos. J. Glynn
Sr. vp-assoc. media dir., Robert Gervason

96.
PLAYTEX bras, girdles
Esmark

	media dollars 1980	media dollars 1981
Magazines	$ 2,553,000	$ 3,150,000
Supps	—	15,000
Newspapers	53,000	—
Network tv	15,022,000	22,581,000
Spot tv	1,450,000	1,723,000
Network radio	—	—
Network radio	—	—
Outdoor	—	—
Total	**$19,078,000**	**$27,469,000**

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Classifications: underwear (LNA A-120); hygiene (LNA D-123)
Marketing/brand management:
Dir. med. serv., George Montaigne
Agencies: Grey Advertising
Mgmt. suprs., Jeff Stein, Warren Fischer
Acct. exec., Carol Springston
Asst. media dir., Polly Allen
Rosenfeld, Sirowitz, Lawson
(hair care products)
Exec. vp., Peter Heinz
Vp-med. dir., Robert Hinson
Acct. exec., Don Kurn
Acct. super., Robin Fry
Asst. med. dir., Paula Senft
Planner, Gary Rothlein
Ogilvy & Mather, New York
Mgmt. supr., Paul Rabstein
Acct. supr., Sandra Ogrean
Sr. vp-assoc. med., dir., Tony Nacinovich
Vp-asst. med. dir., Alan Orlick

97.
FOLGER'S coffee
Procter & Gamble

	media dollars 1980	1981
Magazines	$ 6,000	—
Supps	76,000	$ 552,000
Newspapers	563,000	1,080,000
Network tv	13,504,000	16,769,000
Spot tv	13,521,000	8,681,000
Network radio	—	—
Spot radio	6,000	127,000
Outdoor	—	—
Total	$27,676,000	$27,209,000

Classification: food bev. (LNA F-107).
Marketing/brand management:
Genl. mgr., P. A. Field
Advtg. mgr., coffee, Tom Newby
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Agency: Cunningham & Walsh, N.Y.
Sr. vp-dir., mktg. & media servs., Frank McDonald
Sr. vp-media, Howard Nass
Vp-media, Marcia Chapman
Media supr., Audrey Siegel
Acct. supr., Ellis Verdi
Asst. acct. exec. (flaked and Vacuum), Scott Stuart
Asst. acct. exec. (instant), Richard Rapp

98.
WENDY'S restaurants
Wendy's International, Inc.

	media dollars 1980	1981
Magazines	—	—
Supps	—	$ 5,000
Newspapers	(no data)	(no data)
Network tv	$ 9,036,000	8,761,000
Spot tv	10,749,000	15,819,000
Network radio	—	1,308,000
Spot radio	239,000	—
Outdoor	531,000	482,000
Total	$20,555,000	$26,375,000

Classification: restaurants (LNA G-330)
Marketing/brand management:
Sr. vp-mktg., William Welter
Dir. of advtg., Tom Santor
Dir. mktg., serv., Dan Corrigan
Media plans mgr., Tom Lounds
Agency: Dancer Fitzgerald Sample, New York
Sr. vp-mgmt. dirs.: Joseph Mack, Robert Weekes
Sr. vp-media dir., Allen Banks
Sr. vp-assoc. media dir., Ira Weinblatt
Vp-assoc. media dir., Peter Regan

99.
UNITED ARTISTS
Metro-Goldwyn-Mayer

	media dollars 1980	1981
Magazines	$ 390,000	$ 513,000
Supps	—	—
Newspapers	16,000	59,000
Network tv	8,190,000	8,925,000
Spot tv	5,448,000	16,734,000
Network radio	—	—
Spot radio	116,000	99,000
Outdoor	8,000	8,000
Total	$14,168,000	$26,338,000

Classification: motion pictures (LNA G-310); record and tape recordings (LNA H-330)
Marketing/brand management:
Vp-worldwide advtg./pub., Hy Smith
Vp-advtg./pub., Edward Seigenfeld
Dir. of media, Terry Steiner
Agency: Diener/Hauser/Bates
Vp-acct. supr., Barbara Pisapia
Vp-media dir., Norman Trell

100.
RED LOBSTER restaurants
General Mills

	media dollars 1980	1981
Magazines	—	$ 7,000
Supps	—	—
Newspapers	(no data)	(no data)
Network tv	—	—
Spot tv	$17,162,000	24,578,000
Network radio	—	—
Spot radio	669,000	1,161,000
Outdoor	51,000	68,000
Total	$17,882,000	$25,814,000

Classicafition: restaurants (LNA G-330)
Marketing/brand management:
Vp-mktg., John Waters
Advtg. mgr., Barbara Wells
Advtg., supr., Bill Lang
Nat'l field mktg. mgr., Dick Monroe
Agency: D'Arcy – MacManus & Masius, St. Louis
Sr. vp-mgmt. supr., Charles Grady
Vp-acct. supr., Jim Palumbo
Acct. execs.: Tom Morrison, Cate Clayman, Bill Daily
Sr. vp-dir., media servs., Frank Kopec
Vp-grp. med. dir., Jim Porcarelli
Grp. plng. mgr., Nancy Elswick

101.
MAZDA cars and trucks
Toyo Kogyo

	media dollars 1980	1981
Magazines	$ 6,296,000	$ 6,640,000
Supps	—	—
Newspapers	565,000	1,339,000
Network tv	20,335,000	16,410,000
Spot tv	3,539,000	914,000
Network radio	—	—
Spot radio	—	83,000
Outdoor	183,000	166,000
Total	$30,918,000	$25,552,000

Classifications: passenger cars (LNA T-110), trucks (LNA T-120)
Marketing/brand management:
Sr. vp-general operations, R. E. Hayden (MMA Central)
Sr. vp.-genl. mgr., E. Sundstrom (MMA-East)
Agency: FC&B/Honig, Los Angeles
Sr. vp. grp. mgmt. dir., Welton Mansfield
Vp. mgmt. dir., Dennis Remsing
Sr. vp-media dir., Robert MacDonald
Med. super., Phil Mussman

Four-year trend totals start on page 64

102.

KOTEX

Kimberly-Clark

	media dollars	
	1980	1981
Magazines	$ 8,997,000	$ 8,563,000
Supps	104,000	—
Newspapers	95,000	248,000
Network tv	11,973,000	12,973,000
Spot tv	2,235,000	2,263,000
Network radio	1,391,000	903,000
Spot radio	277,000	386,000
Outdoor	—	—
Total	$25,072,000	$25,336,000

Classification: feminine hygiene products (LNA D-123)
Marketing/brand management:
Dir. media serv., Bob Meister
Vp-feminine care products, Gil Zins
Prod. mgrs.: Jim Bere, John Cook, Steve Kalmanson
Agency: Ogilvy & Mather, New York
Sr. vp. exec. dir. med., Ken Caffrey
Vp. acct. mgmt. super., Karen Green
Sr. vp-assoc. med. dir., Wilma Epstein
Asst. dir., Ron Harrison
Media plnrs.: Steve McNally

103.

FRANKLIN MINT

Warner Communications

	media dollars	
	1980	1981
Magazines	$10,566,000	$11,171,000
Supps	4,664,000	4,446,000
Newspapers	8,270,000	9,041,000
Network tv	—	—
Spot tv	3,000	600,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$23,503,000	$25,258,000

Classification: miscellaneous (LNA G-560)
Marketing/brand management:
Exec. vp-U.S. mktg. div., C. Wickard
Vp-U.S. mktg., M. Breisblatt
Mktg. devel., James Perry
Agency: Franklin Advtg.
(house agency)
Media dir., Howard R. Batton
Dir. media plng., Joseph T. Clark

Also see story on Warner-Amex in Decisions, October 1981

104.

MOBIL gasoline/oil

Mobil Oil

	media dollars	
	1980	1981
Magazines	$ 2,387,000	$ 2,420,000
Supps	2,161,000	3,185,000
Newspapers	5,631,000	8,105,000
Network tv	1,770,000	—
Spot tv	4,124,000	9,118,000
Network radio	—	—
Spot radio	2,266,000	2,389,000
Outdoor	53,000	28,000
Total	$18,392,000	$25,245,000

Classification: general promotion (LNA T-230), gas/oil (LNA T-211)
Marketing/brand management:
(U.S. Marketing and Refining Div.)
Vp-gen. mgr. mktg., R. L. Abbott
Gen. mgr. mktg. serv., K. C. Esty
Adv. mgr., J. P. Landy
Mgr. chem. advtg., Isaac Kershaw
Resale mgr., D. P. Spada
(public affairs div.)
Vp-public affairs, Herbert Schmertz
Gen. mgr.-pub. rel., R. P. Maxon
Agencies: DDB, New York
Sr. vp., L. Iannuzzelli
Acct. exec., Craig Wynne
Acct. supr., Brian Craig
Asst. acct. exec., B. Best
Exec. vp-dir. media plng., Michael Drexler
Sr. vp-dir. media services, Sy Goldis
Vp-media plng. dir., Emil Tacovsky
Assoc. planning dir., Stan Grayson
Creamer, New York/Chicago
(farm and industrial)
New York
Sr. vp-acct. supr., Fred Dixon
Sr. vp-media dir., George Russo
Assoc. med. dir., Bob Kutsche
Chicago
Vp-agric. grp. head, Ron Hortzman
Sr. media planner/buyer, Elaine Schroeder

105.

KOOL-AID soft drink

General Foods

	media dollars	
	1980	1981
Magazines	$ 591,000	$ 975,000
Supps	—	332,000
Newspapers	151,000	323,000
Network tv	16,404,000	17,185,000
Spot tv	4,956,000	6,078,000
Network radio	—	—
Spot radio	152,000	58,000
Outdoor	—	—
Total	$22,254,000	$24,951,000

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Gen. mgr., Bob Sansone
Mktg. mgr., Jon Adams
Cat. mgr., Greg Murphy
The media group includes:
Dir. media servs., David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth
Agency: Grey, New York
Vp-mgmt. supr., Harvi Robinson
Sr. vp-dir. media & prog., Alec Gerster
Vp-assoc. media dir.: Jack Jadick (kids)

106.

SANKA coffee

General Foods

	media dollars	
	1980	1981
Magazines	$ 2,184,000	$ 1,937,000
Supps	998,000	529,000
Newspapers	946,000	508,000
Network tv	19,954,000	13,593,000
Spot tv	7,879,000	5,203,000
Network	—	2,099,000
Spot radio	1,407,000	900,000
Outdoor	60,000	—
Total	$33,428,000	$24,769,000

Classification: coffee (LNA F-171)
Marketing/brand management:
Grp. vp, Bob Seelert
Mktg. & dev. mgr., Steve Morris
Cat. mgrs.: Dave Gustin, Joel Johnson, Chuck Phillips
The media group includes:
Dir. media servs., David K. Braun
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Agency: Young & Rubicam, N.Y.
Acct. supr., Anne Zopf
Media grp. supr., Mark Arnold
Media supr., Jean-Claude Ziegler
Media plnr., Jill Gruber

107.

COLUMBIA records (CBS)

	media dollars	
	1980	1981
Magazines	$ 9,302,000	$ 7,692,000
Supps	8,824,000	9,239,000
Newspapers	6,185,000	5,994,000
Network tv	2,916,000	407,000
Spot tv	2,502,000	1,208,000
Network radio	—	—
Spot radio	129,000	71,000
Outdoor	60,000	44,000
Total	$29,918,000	$24,655,000

Classification: records (LNA H-330)
Marketing/brand management:
Sr. vp-gen. mgr., Don Dempsey (Epic/Portrait/Assoc. labels)
Vp.-mktg., Ron McCarrell (Epic/Portrait/Assoc. labels), Joe Mansfield (Columbia)
Agencies: Gotham, New York
Vp-adv. planning, Linda Barton
Media dirs., Yvonne Ericson (tv, print), Peggy Mulhall (radio)
Assoc. dir. print media, Joe Strickoff
Print media buyer, Vera Sutton
Wunderman, Ricotta & Kline, N.Y.
Sr. vp-mgmt. supr., Peter Rabar
Vp. acct. super., Alan Beer
Vp-assoc. med. dir., Maxeen Schonfeld
Gr. med. super., Amelia Capriulo
Med. plan./buy., Dant Silverstein

108.
BAYER aspirin
Sterling Drug

	media dollars 1980	1981
Magazines	$ 3,467,000	$ 3,170,000
Supps	189,000	569,000
Newspapers	25,000	225,000
Network tv	18,614,000	16,661,000
Spot tv	49,000	199,000
Network radio	1,173,000	1,910,000
Spot radio	2,000	109,000
Outdoor	—	7,000
Total	**$23,519,000**	**$24,650,000**

Classification: medicines (LNA D-210)
Marketing/brand management:
Vp-dir. advtg., James Alberts
Agency: SSC&B, New York
Exec. vp, Spencer Plavoukas
Sr. vp-mgmt. supr., John Cross
Sr. vp-new prod., Richard Ellington
Vp-acct. supr., Dorothy Scourby
Acct. supr., Sheri Colonel
Exec. vp, Lawrence Lamattina
Vp-dir. media oper., Leonard Lipson
Asst. media dir., Maryann Harmon

109.
PIZZA HUT
PepsiCo

	media dollars 1980	1981
Magazines	$ 4,000	—
Supps	5,000	$ 48,000
Newspapers	(no data)	(no data)
Network tv	12,080,000	10,104,000
Spot tv	5,593,000	14,006,000
Network radio	—	—
Spot radio	535,000	362,000
Outdoor	45,000	54,000
Total	**$18,262,000**	**$24,574,000**

Classification: restaurants (LNA G-330)
Marketing/brand management:
Sr. vp-mktg., Bud Gates
Vp-advtg., William H. Tyler
Dir. of advtg., Tony Aldana
Agency: FC&B, Chicago
(Network & spot media bought through 26 local agencies)
Grp. mgmt. supr., Jim Cerasani
Acct. supr., Mitch Engel
Acct. exec., Mark Modesto
Sr. vp-media dir., Greg Blaine
Media supr., Bruce Smith
Grp. media dir., Fred Wray

110.
IVORY soaps
Procter & Gamble

	media dollars 1980	1981
Magazines	$ 518,000	$ 829,000
Supps	—	—
Newspapers	23,000	65,000
Network tv	21,363,000	18,988.000
Spot tv	4,679,000	4,670,000
Network radio	—	—
Spot radio	1,000	11,000
Outdoor	—	—
Total	**$26,584,000**	**$24,563,000**

Classifications: soaps & detergents (LNA H-410); personal hygiene (LNA D-120)
Marketing/brand management:
Brand mgr. (Ivory Snow), A. G. Lafley
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Agencies: Compton, New York
Mgmt. supr., Tom Lom
Med. mgr., Nancy Fastenberg (Ivory bar)
Media planner, Sande Pisik (Ivory Snow)
Mgmt. supr., Stu Sharpe
Acct. supr., Joe Lenene
Media mgr., John Ryan
Asst. med mgr., Maryanne Harmon
Planner, Ken Sacharan
Media mgr., Carol Karasick
Asst. media mgr., Steven Jacoby
Planner, Patricia Engel
Benton & Bowles, New York (Ivory Snow)
Sr. vp-acct. dir., Tom Carey
Sr. vp-mgmt. supr., Magnus Eide
Acct. supr., Diane Jones
Sr. vp-dir. media mgmt., Michael Moore
Vp-assoc. media dir., Steve Farella

111.
CAMBRIDGE cigarettes
Philip Morris

	media dollars 1980	1981
Magazines	$11,148,000	$ 7,548,000
Supps	743,000	2,435,000
Newspapers	16,466,000	13,382,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	3,503,000	1,177,000
Total	**$31,860,000**	**$24,542,000**

Classification: tobacco (LNA G-110)
Marketing/brand management:
Brand mgr., Herb Foster
Vp-media, James L. Thompson, Jr.
Agency: Leo Burnett, Chicago
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Bob Houghtlin
Client serv. dir., Bill Engelbrecht

112.
EVEREADY batteries
Union Carbide Corp.

	media dollars 1980	1981
Magazines	$ 842,000	$ 338,000
Supps	946,000	835,000
Newspapers	311,000	227,000
Network tv	14,101,000	14,908,000
Spot tv	3,496,000	863,000
Network radio	—	—
Spot radio	3,198,000	5,304,000
Outdoor	391,000	—
Total	**$23,285,000**	**$24,475,000**

Classification: (LNA H-220)
Marketing/brand management:
Mktg. mgr., G. D. Klein
Advtg. mgr., Douglas Orr
Agency: Wm. Esty Co.
Assoc. media dir., Lucielle Gionet
Media supr., Patricia Reilly

113.
COVER GIRL cosmetics
Noxell

	media dollars 1980	1981
Magazines	$ 6,659,000	$ 7,036,000
Supps	—	—
Newspapers	—	—
Network tv	16,945,000	16,987,000
Spot tv	438,000	310,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$24,042,000**	**$24,333,000**

Classification: cosmetics (LNA D-110)
Marketing/brand management:
Vp, cosmetic products mktg., Francis J. Harrison
Mktg. dir., Peter M. Group
Gr. prod. mgr., Marie T. Bowers
Gr. prod. mgr., E. Michael McNamara
Prod. mgr., E. Randy Floss, Nancy B. Phillips, Wayne K. Altschul
New prods. mgr., Donald M. Farquharson
Asst. new prods. mgr., Steven J. Colnitis
Agency: SSC&B, New York
Exec. vp, F. Stone Roberts
Sr. vp-mgmt. supr., William Abrams
Vp-acct. supr., Donna Squilla
Acct. supr., Susan Exum
Exec. vp-media & net prog., Lawrence Lamattina
Vp-dir. media oper., Leonard Lipson
Asst. media dir., Priscilla Sager

114.
U.S. ARMY
U.S. Army Recruiting Command

	media dollars 1980	1981
Magazines	$ 6,178,000	$ 3,665,000
Supps	—	—
Newspapers	1,801,000	1,617,000
Network tv	9,141,000	12,320,000
Spot tv	—	—
Network radio	494,000	1,177,000
Spot radio	3,122,000	5,274,000
Outdoor	398,000	186,000
Total	**$21,134,000**	**$24,239,000**

Classification: U.S. Government (LNA B-160)
Marketing/brand management:
Dir. advtg./s.p., Col. William F. Graf
Media dir., Maj. Jim Simon
Agency: NW Ayer, New York
Sr. vp-media dir., Marcella Rosen
Sr. vp-mgmt. supr., Nelson van Sant
Assoc. media dir., Mike Gross

**For alphabetical index turn to page 60.
Trend comments start on page 64.**

115.
TEXACO gasoline
Texaco

	media dollars 1980	1981
Magazines	$ 3,987,000	$ 3,383,000
Supps	—	—
Newspapers	2,956,000	2,667,000
Network tv	11,631,000	12,016,000
Spot tv	1,789,000	3,740,000
Network radio	—	—
Spot radio	1,612,000	2,217,000
Outdoor	—	72,000
Total	**$21,975,000**	**$24,095,000**

Classifications: general promotion (LNA T-230); gasoline, oil (LNA T-210) (LNA T-230)
Marketing/brand management:
Gen. mgr.-advtg. & sls. prom worldwide, John H. Childs
Mgr. corp. advtg., M. Keenan
Mgr., mktg. & advtg., Walter Molony
Asst. advtg. mgr., Roger Strecker
Agency: Benton & Bowles, N.Y.
Sr. vp-acct. dir., Joseph Hannan
Vp-mgmt. supr., Richard Jennings
Sr. vp-dir. media mgmt., Michael Moore
Vp-assoc. media dir., Frank Massaro
Asst. media dir., Dennis Donlin
Media planners: Eve Foinberg, Chris Camps

116.
DRISTAN cold remedies
American Home Products

	media dollars 1980	1981
Magazines	$ 82,000	$ 353,000
Supps	—	—
Newspapers	—	—
Network tv	17,419,000	19,863,000
Spot tv	3,374,000	3,452,000
Network radio	311,000	—
Spot radio	—	128,000
Outdoor	—	—
Total	**$21,186,000**	**$23,798,000**

Classification: medicines (LNA D-210)
Marketing/brand management:
Tablets/capsules
Group mgr., Ed Smith
Product mgr., Ron Miller
Nasal mist
Group mgr., Don Benjamin
Agencies: William Esty, New York
(tablets)
Sr. vp-media servs., Mark F. Byrne
Mgmt. supr., A. Albrecht
Rosenfeld, Sirowitz, Lawson
(capsules)
Mgmt. supr., Sid Laurence
Acct. supr., Dave Reeves
Assoc. med. dir., Ron Hatcher
Sr. med. plan, Tim McHale
Planner, Mike Delaney
Kornhauser & Calene, N.Y.
(nasal mist)
Sr. vp-mgmt. supr., Alan Yarnoff
Mgmt. supr., J. Shapiro
Vp-media mgr., Gary Faver

117.
CAMPBELL's foods
Campbell Soup

	media dollars 1980	1981
Magazines	$ 5,340,000	$ 3,739,000
Supps	178,000	582,000
Newspapers	592,000	1,442,000
Network tv	6,464,000	11,826,000
Spot tv	3,235,000	2,431,000
Network radio	2,020,000	1,839,000
Spot radio	831,000	1,785,000
Outdoor	24,000	—
Total	**$18,684,000**	**$23,644,000**

Classification: prepared foods (LNA F-120)
Marketing/brand management:
Dir. advtg. services, Paul Mulcahy
Dir. prom., Frank A. Dudowicz
Mgr. media services, Mary Anne Ham
Mgr. media execution, Patty Green
Agencies: Backer & Spielvogel, N.Y.
Exec. vp-dir. media servs., Jeffrey Palmer
Sr. vp-media dir., Jay Schoenfeld
Assoc. media dir., Ann Meschery
Media supr., Valerie Muller
Mgmt. supr., Joe Prior
NH&S, New York
Sr. vp-acct. grp. dir., Phil Wallace
Vp-acct. supr., Leo Mamorsky
Sr. vp-media dir., Page Thompson
Vp-media mgr., Bernie Newman
Media supr., Steve Flans

118.
TRUE VALUE hardware stores
Cotter & Co.

	media dollars 1980	1981
Magazines	$ 2,015,000	$ 2,580,000
Supps	—	—
Newspapers	—	—
Network tv	2,360,000	3,108,000
Spot tv	10,608,000	12,983,000
Network radio	5,693,000	4,923,000
Spot radio	—	—
Outdoor	5,000	8,000
Total	**$20,676,000**	**$23,602,000**

Classification: Miscellaneous (retail) LNA G-608)
Marketing/brand management:
Sec. treas.-mdsg. mgr., Ed Lanctot
Agency: Christenson, Barclay & Shaw, Chicago
Pres.-acct. exec., Jerry Christenson
Media dir., Teresa Miller

119.
KENNER toys
General Mills

	media dollars 1980	1981
Magazines	$ 592,000	$ 1,287,000
Supps	—	—
Newspapers	706,000	1,012,000
Network tv	11,066,000	13,753,000
Spot tv	6,165,000	7,470,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$18,529,000**	**$23,522,000**

Classification: games (LNA G-450)
Marketing/brand management:
Vp-adv./mktg. services, Lonny Fryberger
Dir. adv. cons. proms., Ellen Moser
Agencies: Sive, Cincinnati
Vp-media dir., Marcia Cann
Vp-acct. supr., Dave Siegel
Grey, New York
Sr. vp-acct. mgmt., Lou Maloof
Sr. vp-dir. media & prog., Alec Gerster
Vp-assoc. media dir., Robert Giaccomino
Asst. media dir., Chessye Hill
Asst. group head, Wendy Flickinger
Media plnr., Katie Weil

120.
SAFEWAY stores
Safeway Food

	media dollars 1980	1981
Magazines	$ 25,000	$ 1,927,000
Supps	—	—
Newspapers	(no data)	(no data)
Network tv	219,000	439,000
Spot tv	16,999,000	19,331,000
Network radio	—	—
Spot radio	999,000	1,074,000
Outdoor	49,000	48,000
Total	**$18,291,000**	**$23,418,000**

Classification: general promotion (LNA F-180)
Marketing/brand management:
Vp-adv./res. div., Gerald E. Brown
Mgr. adv. dept., Ron Giglio
Agency: Each advertising manager in each retail division determines media expenditures for respective division.

121.
20TH CENTURY-FOX films
20th Century-Fox Film Corp.

	media dollars 1980	1981
Magazines	$ 1,229,000	$ 1,417,000
Supps	14,000	131,000
Newspapers	61,000	—
Network tv	12,005,000	14,855,000
Spot tv	6,181,000	6,040,000
Network radio	—	—
Spot radio	361,000	178,000
Outdoor	86,000	106,000
Total	**$19,937,000**	**$22,727,000**

Classification: motion pictures (LNA G-310)
Marketing/brand management:
Dir. media services, Amy Gruberg
Mgr. media & co-op, Lorraine Cruz
Agency: JWT, Entertainment Div., Los Angeles/New York
Pres., Ronald K. Sherman
Los Angeles
Sr. vp, Larry Olshan
Vp-acct. supr., Dick Porter
Acct. rep., Cheryl Barnes
Vp-media supr., Edie Finn
New York
Vp-acct. supr., Regina Morrison
Vp-media dir., Mark Scoenfeld

122.
DIAL soap
Greyhound Corp.

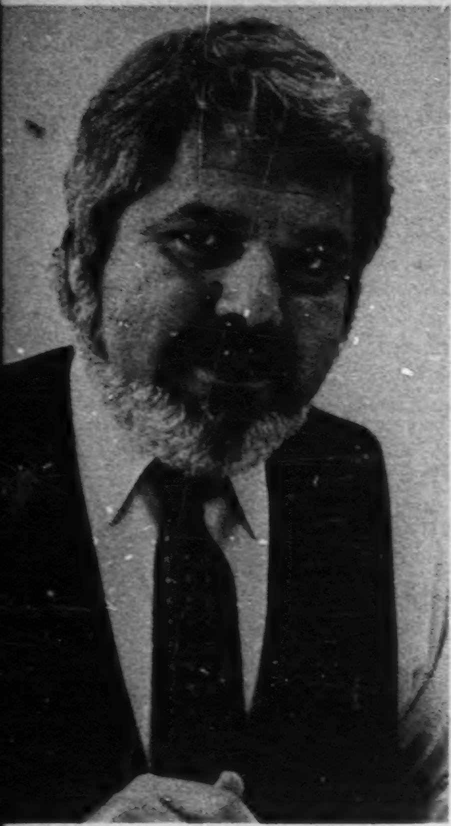
	media dollars 1980	1981
Magazines	$ 1,101,000	$ 2,094,000
Supps	—	—
Newspapers	13,000	—
Network tv	14,790,000	19,843,000
Spot tv	12,000	529,000
Network radio	1,778,000	94,000
Spot radio	—	—
Outdoor	—	100,000
Total	**$17,694,000**	**$22,660,000**

Classification: soaps (LNA D-122)
Marketing/brand management:
Vp-prod. mktg., Richard Garabedian
Grp. mktg. dir., Paul Lustig
Prod. mgrs.: Bill Robertson, Allan Marcy
Agency: NH&S, Chicago
Sr. vp-media dir., David Drake
Vp-dir. media oper., William F. Heimann, Jr.
Vp-assoc. media dir., Glenn Erdell
Media supr., Marilyn Kelly
Media plnr., Robert Johnson
Print plnr., Janice Bailey
Local bdcst. buyer, Susan Mahoney
Vp-net. dir., Howard M. Sirinsky
Network supr., Joan Murphy
Network plnr., Betty Pat McCoy
Vp-mgmt. rep., Gene Yovetich
Acct. supr., Ray Gillette
Acct. exec., Mary Moudry

123.
LEVI'S clothing
Levi Strauss

	media dollars 1980	1981
Magazines	$ 3,676,000	$ 2,091,000
Supps	—	234,000
Newspapers	290,000	967,000
Network tv	14,962,000	10,437,000
Spot tv	3,788,000	5,245,000
Network radio	355,000	1,381,000
Spot radio	5,663,000	2,228,000
Outdoor	2,000	15,000
Total	**$28,736,000**	**$22,598,000**

Classification: sportswear (LNA A-115)
Marketing/brand management:
Marketing Council: Jack Detlefs, Robert Grohman, Robert Haas, David Kaled, Hal Spielberg, Tom Tusher
Mgr. mktg. serv., John Ankeny (Womenswear)
Dir. con. mktg., Janet Beach (Jeanswear)
Mgr.-mktg. serv., Jo Ann Flath (Youthwear)
Dir.-con. mktg., Steve Goldstein (Menswear)
Agencies: FCB/Honig, San Francisco
Grp. mgmt. supr., Denny Wilkinson
Sr. vp. med. dir., Ted Block
McCann-Erickson, San Francisco
Sr. vp-mgmt. supr., Priscilla List
Sr. vp-med. dir., Donald O. Gabbert
Vp-assoc. media dir., Art Neumann
Media suprs.: Karen McFee, Linda Summers
Media plnrs.: Marcia Anderson, Robert Kulka
Asst. media plnr., Wes Mitchell
Ketchum Advtg., San Francisco
Sr. vp-media dir., Richard Hamilton
Vp-assoc. media dir., Cheryl Kahn
Sr. vp-grp. mgmt. suprs.: Dan Odishoo, Diane Snedaker



Networks plunge into overnight news

The three television networks embark on experiments with overnight news programing this Fall that set a new precedent: initiating a major program expansion without first testing the advertising waters. Sponsors aren't sure there will be an audience awake to watch the news shows, but some believe that if news fails, the networks will experiment with other types of programing.

This Fall, the three television networks will attempt to prove once and for all that — no matter what the time of day — if there's something on the tv set to watch, there will be plenty of people to watch it.

The litmus test that CBS, ABC and NBC will be using: news broadcasts throughout either all or part of the night.

"The analogy we use is Sunday morning," explains Tony Malara, CBS network general manager, and the executive responsible for this network's witching hour newscast, *Nightwatch*, to premiere in September. Before the networks programed for Sunday mornings, audiences were negligible — although fully awake. "Obviously Sunday morning is different because people are available," he adds. "But there will be audiences for our overnight news and we will sell it."

CBS network general manager Tony Malara (above) hopes that an audience will materialize for *Nightwatch*.

But at this early stage many are questioning the feasibility of plans to program for a predominantly somnolent public. No one questions the drawing power of network tv, but observers aren't sure this power can sway the biological necessity of sleep.

If people do have trouble staying awake, they'll have these video news options to choose from:

ABC will broadcast two news programs, one running for an hour at the conclusion of *Nightline* (midnight to 1 a.m. E.S.T.) and another that will begin at 6 a.m. and lead in to *Good Morning America*.

NBC plans one newscast beginning in July that will run from 1:30 a.m. until 2:30 a.m., Monday to Thursday, and from 2 a.m. to 3 a.m. on Friday. An additional early morning news show is also on the drawing board that would serve as a lead-in to *Today*. To begin at 6 a.m., the new program will be called, logically, *Early Today*.

CBS has the most ambitious plans of the three tv networks in the quest for overnight audiences, laying down $15 million for its 2 a.m. to 6 a.m. newscast tentatively entitled *Nightwatch*.

Added to these news offering are a plethora of new cable services: Turner's CNN 2 began early this summer, just eclipsing the premiere of ABC/Group W's Satellite News Channel. Both are designed to be up-to-the-minute news programs that will scan all major news stories in a specific period of time and then repeat the stories in a cyclical fashion. Both run 24 hours a day.

This profusion of late night network activity is not so much a response to the perceived thirst for news of insomniacs as it is the reaction to a complex play of forces affecting the network television business.

130.

ALLSTATE insurance

Sears, Roebuck and Co.

	media dollars 1980	1981
Magazines	$ 833,000	$ 1,313,000
Supps	—	12,000
Newspapers	190,000	303,000
Network tv	17,739,000	13,657,000
Spot tv	730,000	2,244,000
Network radio	—	—
Spot radio	1,491,000	3,730,000
Outdoor	7,000	21,000
Total	$20,990,000	$21,280,000

Classification: fire, casualty, life and other insurance (B-220)

Marketing/brand management:
Advtg. dir., John W. Dear
Advtg. mgr., R. E. Gorman, Jr.
Advtg. mgr., Terre A. Tuzzolino
Agency: Leo Burnett, Chicago
Acct. dir., Ron Sims
Sr. vp-media serv. dir., Kenneth Lane
Media dir., Don Amos

131.

ALKA-SELTZER

A. G. Bayer (Miles Labs)

	media dollars 1980	1981
Magazines	$ 524,000	$ 2,410,000
Supps	—	—
Newspapers	—	—
Network tv	15,165,000	15,416,000
Spot tv	3,288,000	2,858,000
Network radio	—	445,000
Spot radio	10,000	51,000
Outdoor	515,000	—
Total	$19,502,000	$21,180,000

Classification: medicines (LNA D-210)

Marketing/brand management:
Vp-mktg., U.S., Stephen M. Reim
Vp-mktg. services, Mitchell Streicker
Agency: Wells, Rich, Greene, N.Y.
Sr. vp-med dir., Robert Geis
Vp-plng. serv. dir., Steven Ziglar
Vp-grp. head, Joan Shelt
Vp-mgmt. supr., Walter Holden
Media planner, Dan Azzaro

For alphabetical index turn to page 60. Trend comments start on page 64.

132.

SILKIENCE lotion

Gillette Co.

	media dollars 1980	1981
Magazines	$ 1,438,000	$ 806,000
Supps	—	—
Newspapers	—	—
Network tv	9,459,000	19,067,000
Spot tv	1,692,000	1,039,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$12,589,000	$20,912,000

Classification: lotions/hair products (LNA D-110, 140)

Marketing/brand management:
Advtg. dir., Alan Gibbs
Product mgr., Kathy Dwyer
Agency: NW Ayer, N.Y.
Mgmt. supr., Stan Mattison
Acct. exec., Kathy Hayes
Assoc. media dir., Jim Mitchell
Media plnr., Jean Connolly

133.

CRISCO shortening

Procter & Gamble

	media dollars 1980	1981
Magazines	$ 2,634,000	$ 3,925,000
Supps	—	—
Newspapers	128,000	123,000
Network tv	12,409,000	11,035,000
Spot tv	6,266,000	5,792,000
Network radio	—	—
Spot radio	49,000	10,000
Outdoor	—	—
Total	$21,486,000	$20,885,000

Classification: cooking products (LNA F-110)

The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell

Agency: Compton, New York
Media mgr., Carol Karasick
(Crisco solid)
Mgmt. supr., Gene Bartley
Acct. supr., Chris Nardi
Media mgr., Bob Pape
(Crisco oil)
Mgmt. supr., Stu Sharpe
Acct. supr., Joe Levine
Media mgt., Bob Pape

134.

LOWENBRAU beer

Philip Morris

	media dollars 1980	1981
Magazines	$ 18,000	$ 52,000
Supps	—	7,000
Newspapers	521,000	238,000
Network tv	14,310,000	15,032,000
Spot tv	4,672,000	4,397,000
Network radio	—	—
Spot radio	—	1,058,000
Outdoor	1,000	4,000
Total	$19,522,000	$20,788,000

Classification: (LNA F310)

Marketing/brand management:
Exec. vp., Lauren S. Williams
Vp-brand mgmt., William W. Catlin
Grp. prod. dir., Robert Toledo
Brand Mgr., Jerry Schmutte
Agency: Backer & Spielvogel, N.Y.
Sr. vp-mgmt. supr., Jeffrey Palmer
Exec. vp-dir. media servs., Steven Leff
Sr. vp-media dir., Jay Schoenfeld
Assoc. media dir., Scott Butler
Media supr., Alain Zutler
Media planner, Phil Ross

135.

PABST beer

Pabst Brewing

	media dollars 1980	1981
Magazines	$ 1,427,000	$ 856,000
Supps	—	—
Newspapers	113,000	101,000
Network tv	4,528,000	6,222,000
Spot tv	8,710,000	7,414,000
Network radio	—	26,000
Spot radio	4,781,000	5,864,000
Outdoor	283,000	272,000
Total	$19,842,000	$20,755,000

Classification: beer (LNA F-310)

Marketing/brand management:
Sr. vp-dir. advtg., Richard Ratcheson
Advtg. mgr. (allied brands), Robert Pearson, Jr.
Media dir., N. P. Allerup
Dir. of sales & mktg., George Spencer
Dir. of advtg. & sales prom., Gene Clark
Mktg. serv. dir., S. Kobach
Agencies, McCann-Erickson, N.Y.
(Pabst Blue Ribbon)
Sr. vp-acct. dir., Bernie Cammarata
Exec. vp-med. serv., Eugene DeWitt
Acct. supr., John Kavalkovich
Asst. acct. exec., Taco Proper
Vp-media grp. head, George Hayes
Sr. media plnr., Tom Arnold

Sr. vp-media dir., Vince Raft
Vp-assoc. plng. dir., George Hayes
Ogilvy & Mather, San Francisco
(Pabst Extra Light)
Vp-media dir., Kay Blackburn
Vp-mgmt. supr., Jim McGill
Acct. exec., Steve Sandborg

136.
DUNCAN HINES mixes
Procter & Gamble

	media dollars	
	1980	1981
Magazines	$ 2,628,000	$ 3,742,000
Supps	—	—
Newspapers	19,000	72,000
Network tv	12,579,000	14,561,000
Spot tv	1,909,000	2,273,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$17,135,000**	**$20,648,000**

Classification: mixes (LNA F-113)
Marketing/brand management:
Brand mgr., Wes Cockburn
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Agency: Compton, New York
Sr. vp-acct. mgmt., Tom Lom
Acct. supr., Chris Nardi
Media mgr., Nancy Fastenberg
Asst. media mgr., Mary Ann Power
Plnrs.: Beth Fredericks, Pat Darcy

137.
BETTY CROCKER foods
General Mills

	media dollars	
	1980	1981
Magazines	$ 4,124,000	$ 4,144,000
Supps	19,000	122,000
Newspapers	136,000	559,000
Network tv	14,226,000	12,888,000
Spot tv	3,610,000	2,303,000
Network radio	355,000	537,000
Spot radio	—	75,000
Outdoor	—	—
Total	**$22,470,000**	**$20,628,000**

Classifications: cooking products (LNA F-110); prepared food (LNA F-120); vegetables (LNA F-143)
Marketing/brand management:
Media services dir., Hal Mitch
Vp-dir. of mktg. services, Fletcher C. Waller, Jr.
Advtg. services dir., Robert J. Blake
Creative services dir., Jack Griffin
Agency: NH&S, Chicago
Sr. vp-media dir., David Drake
Vp-dir. media oper., W. F. Heimann, Jr.
Media supr., Judy Fischer
Print plnr., Sherill E. Spolar
Media supr., Diane Niederman
Media plnrs.: Debra Nevin, Michael J. Parent, Deborah Salberg
Local bdcst. buyers: Nancy McGroarty, Nancy Evelyn, Dale Ruthenberg
Vp-network dir., Wesley P. Dubin
Network supr., Marie Netolicky
Network plnr., Billie Von Thaden
Acct. supr., Colby Kerr

138.
PHILLIPS gas & oil
Phillips Petroleum Co.

	media dollars	
	1980	1981
Magazines	$ 2,285,000	$ 2,677,000
Supps	—	—
Newspapers	51,000	—
Network tv	8,630,000	8,780,000
Spot tv	1,099,000	2,096,000
Network radio	3,280,000	5,155,000
Spot radio	1,681,000	1,875,000
Outdoor	14,000	8,000
Total	**$17,040,000**	**$20,591,000**

Classification: gasoline, oil (LNA T-210)
Marketing/brand management:
Media dir., Jim Daniels
Advtg. mgr., P. R. Cleek
Agency: Tracy-Locke/BBDO, Dallas
Vp-mgmt. supr., Tom Morris
Acct. supr., Ed Westbury
Acct. supr., David Haspel
Vp-media dir., Claude Caylor
Grp. media dir., Phil Ganz
Assoc. media dir., Jouette Travis
Media supr., Lora Funderburk
Dir. network tv, Susan Rameau

139.
GULF
Gulf Oil

	media dollars	
	1980	1981
Magazines	$ 5,073,000	$ 5,093,000
Supps	—	—
Newspapers	2,539,000	1,792,000
Network tv	160,000	205,000
Spot tv	7,720,000	11,416,000
Network radio	453,000	126,000
Spot radio	1,294,000	1,897,000
Outdoor	23,000	23,000
Total	**$17,262,000**	**$20,552,000**

Classification: gasoline, lubricants (LNA T-200)
Marketing/brand management:
Sr. dir. adv. & corp. commun., T. E. Latimer
Agency: Young & Rubicam, N.Y.
Sr. vp-grp. dir., John Hatheway
Sr. vp-dir. comm. dev., Theresa MacDonald
Vp-media, George Sharp
Acct. supr., Dick Jones
Grp. supr., Beth Rockwood
Media supr., Stephen Naftelberg

140.
HERSHEY products
Hershey Foods

	media dollars	
	1980	1981
Magazines	$ 2,778,000	$ 2,242,000
Supps	—	—
Newspapers	345,000	1,467,000
Network tv	10,254,000	13,900,000
Spot tv	543,000	2,333,000
Network radio	—	—
Spot radio	1,545,000	664,000
Outdoor	—	—
Total	**$15,466,000**	**$20,372,000**

Classification: Ingredients/candies (LNA F-115, 211)
Marketing/brand management:
Mktg. vp-Gary McQuaid
Dirs. of mktg.: Jay Carr, Michael Holmes
Agencies: DDB, New York
Grp. sr. vp-Richard Keegan
Vp-media plng. dir., Conant Sawyer
Ogilvy & Mather, New York
Sr. vp-mgmt. supr., Michael Vaughan
Sr. vp-assoc. media dir., Tony Nacinovich
Asst. media dirs.: Al Orlick, Mark Belton

141.
BUFFERIN analgesic
Bristol-Myers

	media dollars	
	1980	1981
Magazines	$ 630,000	$ 2,480,000
Supps	106,000	240,000
Newspapers	19,000	91,000
Network tv	11,862,000	16,419,000
Spot tv	1,643,000	1,019,000
Network radio	—	—
Spot radio	170,000	6,000
Outdoor	—	66,000
Total	**$14,430,000**	**$20,321,000**

NEW YORK'S SUBURBAN SPENDERS

...live in Fairfield County, Connecticut: highest EBI per HH in the N.Y. ADI

86% work here and spend it here. (Only 4% commute to NYC). With spending power 47% greater than the average New York metro area household and $10,000 over the U.S. average ($34,289 per HH), they can afford to spend more on shopping, dining, driving, entertaining. Naturally, they buy more products per household. And the Fairfield County Dailies focus on 81% of Fairfield County adults who read the Bridgeport Post-Telegram, the Norwalk Hour, Greenwich Time and Stamford Advocate. FCD newspapers reach 320,000 adults that spend more because they have more. It's all documented in the '80 Scarborough Report and '80 Census. Ask Landon's Roger Power for details. Call (212) 867-1112.

FAIRFIELD COUNTY DAILIES
FCD
SUBURBAN READERS THAT SPEND

There is more to Georgia than Atlanta...the
GEORGIA GROUP

THE NATION'S #1
NEWSPAPER GROUP BUY

●

Population . . . 1,290,000
Georgia Group Populaton would rank 31st In The Nation
100% More People Than Charlotte

●

Total Retail Sales . . . $5,226,100,000
Georgia Group Retail Sales would rank 34th In The Nation
82% More Retail Sales Than Charlotte

●

ALBANY HERALD	ATHENS NEWS BANNER-HERALD
AUGUSTA CHRONICLE-HERALD	COLUMBUS LEDGER-ENQUIRER
MACON TELEGRAPH-NEWS	SAVANNAH NEWS-PRESS

Classification: medicine (LNA D-210)
Marketing/brand management:
Sr. vp-media/mktg. servs., Marvin Koslow
Vp-media/mktg. servs., Peter Spengler
Grp. prod. mgr., Ron Leong
Prod. mgrs.: Bob Sheasby (reg.), Ellen Lipez (Xtra, Arth.)
Agencies: Boclaro (house agency)
Dir., Santo Critelli
Assoc. dirs.: Alan Yoblon, Bill Liptack, Leo Hoffman (consumer print)
Media mgr., Jack Sinnott
Dir. of media & prog servs., Richard Glosman
Media plnr., Bill Grotheer
Laurence, Charles & Free, N.Y.
Exec. vp-acct. supr., Martin Smith
Acct. execs.: Chris Jewell, Al Magnane

142.

NEWPORT cigarettes

Lorillard (Loews)

	media dollars	
	1980	1981
Magazines	$1,364,000	$ 6,053,000
Supps	70,000	247,000
Newspapers	1,213,000	6,070,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	4,440,000	7,940,000
Total	$7,087,000	$20,310,000

Classification: cigarettes (LNA G-111)
Marketing/brand management:
Media dir., Bill Sands
Brand mgr., Roland Hammer
Asst. brand mgr., Ellen Schmitz
Agency: MCA Advertising, NY
Exec. vp-mng. dir., George Hoefer
Vp-acct. dir., Ed Ricci
Acct. exec., Bob Piwinski
Media buying/plng., (ms) Pat Gibson

143.

LONG JOHN SILVER restaurants

Jerrico, Inc.

	media dollars	
	1980	1981
Magazines	—	—
Supps	—	—
Newspapers	—	—
Network tv	—	—
Spot tv	$16,053,000	$20,162,000
Network radio	—	—
Spot radio	—	—
Outdoor	1,000	4,000
Total	$16,054,000	$20,166,000

Classification: restaurants (LNA G-330)
Marketing/brand management:
Vp-mktg., Walter Stumpe
Advertising Agency: Abbott (house agency)
Exec. vp-gen. mgr., James Palmer
Acct. supr., Bill Meehan
Vp-media servs., Jean Babington
Media dirs.: Larry Brewer, Cheri Gardiner

144.

KLEENEX tissues

Kimberly-Clark

	media dollars	
	1980	1981
Magazines	$ 168,000	$ 61,000
Supps	324,000	310,000
Newspapers	574,000	1,062,000
Network tv	5,994,000	8,172,000
Spot tv	7,609,000	10,322,000
Network radio	—	—
Spot radio	—	109,000
Outdoor	—	—
Total	$14,669,000	$20,036,000

Classification: paper products (LNA D-132, A-121, H-232)
Marketing/brand management:
Vp-mktg., J. B. Bernd
Agency: Leo Burnett, Chicago
Client serv. dir., Gordon Barrett
Sr. vp-media servs. dir., Kenneth Lane
Media dir., Chuck Quarnstrom

145.

NATURAL LIGHT beer

Anheuser-Busch

	media dollars	
	1980	1981
Magazines	$ 889,000	$ 928,000
Supps	—	—
Newspapers	—	78,000
Network tv	19,793,000	14,900,000
Spot tv	1,208,000	2,525,000
Network radio	16,000	20,000
Spot radio	1,544,000	1,557,000
Outdoor	20,000	10,000
Total	$20,470,000	$20,018,000

Classification: beer (LNA F-310)
Marketing/brand management:
Vp-mktg., Michael J. Roarty
Vp-brand mgmt., Jack MacDonough
Vp-corp. media, Charles B. Fruit
Grp. mktg. mgr., David L. Morris
Sr. prod. mgr., Robert F. Merz
Brand prom. mgr., Bill Ellis
Agency: D'Arcy-MacManus & Masius, St. Louis
Sr. vp-mgmt. supr., Percy Orthwein
Sr. vp-grp. supr., Tim Arnold
Acct. supr., Steve Eaker
Acct. exec., Eric Zitelli
Sr. vp-dir. media servs., Frank Kopec
Vp-grp. media dir., Steve Phelps
Assoc. media dir., Gary Titterington
Media supr., Mary Jo Anderson

146.

KOOL cigarettes

Brown & Williamson — BAT Ind.

	media dollars	
	1980	1981
Magazines	$11,820,000	$10,167,000
Supps	3,766,000	1,317,000
Newspapers	3,787,000	4,821,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	12,382,000	3,581,000
Total	$31,755,000	$19,886,000

Classification: tobacco (LNA G-110)
Marketing/brand management:
Sr. prod. mgr., Line Lewis
Dir. mktg. services, Tom Neville
Asst. media mgr., Fran Canary
Agency: Cunningham & Walsh, Chicago
Sr. vp-mgmt. supr., Rod Parker
Vp-acct. supr., Rob Vail
Acct. exec., Cynthia Dillon
Vp-assoc. media dir., Nel Stevens

147.

PAMPERS diapers

Procter & Gamble

	media dollars	
	1980	1981
Magazines	$ 1,138,000	$ 1,380,000
Supps	—	—
Newspapers	183,000	66,000
Network tv	14,356,000	16,071,000
Spot tv	3,397,000	2,314,000
Network radio	—	—
Spot radio	13,000	3,000
Outdoor	—	—
Total	$19,087,000	$19,834,000

Classification: diapers (LNA A-121)
Marketing/brand management:
Brand mgr., Jeff Jones
Advtg. mgr., Jamie Wallace
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Agency: Benton & Bowles, New York
Sr. vp-acct. dir., Tom Carey
Sr. vp-mgmt. supr., Peter Greene
Acct. supr., Diane Jones
Sr. vp-dir. media mgmt., Michael Moore
Vp-assoc. media dir., Steve Farella

148.

ZENITH

Zenith Radio

	media dollars	
	1980	1981
Magazines	$ 3,678,000	$ 3,296,000
Supps	—	—
Newspapers	1,633,000	1,910,000
Network tv	8,085,000	10,673,000
Spot tv	3,774,000	3,901,000
Network radio	—	—
Spot radio	—	—
Outdoor	149,000	8,000
Total	$17,319,000	$19,785,000

Classification: radios, tv sets (LNA H-310)
Marketing/brand management:
Vp-mktg., John L. McCallister
Dir. advtg./s.p., Joseph J. Ptacin
Agency: FC&B, Chicago
Mgmt. supr., John Giroux
Sr. vp-media dir., Greg Blaine
Grp. media dir., Fred Wray
Media supr., Bruce Smith

149.

EXCEDRIN analgesic

Bristol-Myers

	media dollars	
	1980	1981
Magazines	$ 833,000	$ 1,623,000
Supps	—	—
Newspapers	—	—
Network tv	14,478,000	15,523,000
Spot tv	1,951,000	1,415,000
Network radio	—	—
Spot radio	35,000	1,042,000
Outdoor	—	—
Total	$17.297,000	$19,603,000

Classification: medicine (LNA D-210)
Marketing/brand management:
Dir. adv. service, Robert Turner
Dir. Boclaro, Santo Critelli
Media plnr., Samuel Hill
Vp mktg., Nick Cannistraro
Grp. prod. mgr., Jim Jackson
Prod. mgr., Todd Middleton

Agency: Boclaro Inc.
(house agency)
Kenyon & Eckhardt, N.Y.
(creative)
Vp-mgmt. supr., Jim Keekin

150.
PARAMOUNT pictures
Gulf & western

	media dollars 1980	1981
Magazines	$ 593,000	$ 667,000
Supps	260,000	114,000
Newspapers	1,294,000	838,000
Network tv	357,000	523,000
Spot tv	6,920,000	16,788,000
Network radio	—	—
Spot radio	441,000	442,000
Outdoor	136,000	189,000
Total	**$10,001,000**	**$19,561,000**

Classification: motion pictures (LNA G-310)
Marketing/brand management:
Sr. vp-worldwide-mktg., Gordon Weaver
Vp-natl. advtg., Tom Campanella
Vp-pub./prom., Kathy Jones
D. natl. bdcst./print, Angel Lopez
Mgr. natl. bdcst./print, Stanley Kirchheimer
Vp-print advtg., Shelley Hochron
Agency: Diener/Hauser/Bates, NY
Vp-acct. exec., Ernie Shapiro
Acct. exec., Gilda Hicks
Sr. vp-media/time buying, Norman Trell
Media dir. (bdcst.), Cheryl Lodinger, (print) Stuart Jacob

151.
AIM toothpaste
Lever Bros.

	media dollars 1980	1981
Magazines	$ 718,000	$ 572,000
Supps	—	96,000
Newspapers	—	65,000
Network tv	10,937,000	15,500,000
Spot tv	4,376,000	2,971,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$16,031,000**	**$19,204,000**

Classifications: personal hygiene (LNA D-120); medicines (LNA D-210)
Marketing/brand management:
Category dir., J. E. Blutenthal
Sr. prod. mgr., M. Soriano
Agency: JWT, New York
Sr. vp-grp. dir., John Morrissey
Vp-mgmt. supr., Beatriz Lothrop
Exec. vp-media dir., Robert Buchanan
Vp-media, Thurman Pierce
Vp-assoc. media dir., Charlotte Weissenberger
Sr. vp-dir. plng., John Gray

152.
TIDE detergent
Procter & Gamble

	media dollars 1980	1981
Magazines	$ 2,327,000	$ 731,000
Supps	—	—
Newspapers	95,000	59,000
Network tv	11,343,000	13,245,000
Spot tv	3,505,000	4,591,000
Network radio	—	—
Spot radio	42,000	87,000
Outdoor	—	—
Total	**$17,312,000**	**$18,713,000**

Classification: soaps (LNA H-410)
Marketing/brand management:
Brand mgr., John Mitchell
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Media ass., Leslie Paladin
Agency: Compton, New York
Mgmt. supr., Gene Bartley
Acct. supr., Jean Mojo
Media mgr., John Ryan
Asst. media mgr., Laura Tyson

153.
HAWAIIAN PUNCH
R. J. Reynolds

	media dollars 1980	1981
Magazines	—	—
Supps	$ 866,000	$ 285,000
Newspapers	1,857,000	700,000
Network tv	8,636,000	225,000
Spot tv	1,109,000	17,413,000
Network radio	—	—
Spot radio	12,000	16,000
Outdoor	—	—
Total	**$12,480,000**	**$18,639,000**

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Dir. of mktg., Frank Cheli
Grp. prod. mgr., Frank Wimbush
Agency: BBDO/West, San Francisco
Vp-mgmt. supr., Jerry Morford
Media dir., Rick Jones

Also see report by Tom Oliver of Federal Express in Decisions, May 1982

154.
FEDERAL EXPRESS
Federal Express Corp.

	media dollars 1980	1981
Magazines	$1,087,000	$ 1,269,000
Supps	—	53,000
Newspapers	413,000	937,000
Network tv	5,705,000	14,616,000
Spot tv	1,605,000	1,678,000
Network radio	—	—
Spot radio	189,000	22,000
Outdoor	2,000	2,000
Total	**$9,001,000**	**$18,577,000**

Classification: airline (LNA B-612)
Marketing/brand management:
Sr. vp-mktg./customer servs., Thomas R. Oliver
Advtg. mgr., Nancy Altenburg
Agency: Ally & Gargano, N.Y.
Chm. bd., Carl Ally
Vp-mgmt. supr., Mark Zizzamia
Media supr., Hal Zwick
Sr. plnr., Nick Iovanna

155.
LYSOL disinfectants
Sterling Drug

	media dollars 1980	1981
Magazines	$ 1,596,000	$ 1,092,000
Supps	23,000	170,000
Newspapers	45,000	496,000
Network tv	16,008,000	15,262,000
Spot tv	902,000	1,496,000
Network radio	714,000	—
Spot radio	—	68,000
Outdoor	—	—
Total	**$19,288,000**	**$18,584,000**

Classifications: disinfectants (LNA H-242); cleaners (LNA H-430)
Marketing/brand management:
Vp-mktg., Leonard Suskin
Agency: SSC&B, New York
Vp-acct. suprs.: Jeff Tarakajian, Hal Henenson
Exec. vp-media & net prog., Lawrence Lamattina
Vp-assoc. media dir., James Courtney
Asst. media dirs.: Pat Fine, Shirley Menkes

156.

MIDAS auto supplies

IC Industries

	media dollars	
	1980	1981
Magazines	—	$ 13,000
Supps	—	—
Newspapers	(no data)	(no data)
Network tv	$ 8,463,000	8,497,000
Spot tv	5,786,000	6,192,000
Network radio	—	254,000
Spot radio	2,939,000	3,605,000
Outdoor	18,000	2,000
Total	**$17,206,000**	**$18,563,000**

Classification: auto parts & accessories (LNA T-154)

Marketing/brand management:

Vp-advtg., Chuck Graziano

Agency: Wells, Rich, Greene, Chicago

Exec. vp-gen. mgr., Larry Singer

Vp-mgmt. supr., Steve Keenan

Sr. vp-media dir., Robert Geis (N.Y.)

Vp-media dir., Bob Olsen

Assoc. media dir., Jill Cassoria

157.

K-TEL

K-Tel International

	media dollars	
	1980	1981
Magazines	—	—
Supps	—	—
Newspapers	—	—
Network tv	$ 1,285,000	$ 3,234,000
Spot tv	11,185,000	9,850,000
Network radio	—	—
Spot radio	4,554,000	5,260,000
Outdoor	—	—
Total	**$17,024,000**	**$18,344,000**

Classifications: records, tapes (LNA H-330); books, music (LNA B-410)

Marketing/brand management:

Exec. vp, Mickey Elfenbein

Vp-gen. mgr., David Catlin

Natl. sales mgr., Bill McMahon

Agency: Commonwealth Adv., Minnetonka, Minn. (house agency)

Vp-advtg./gen. mgr., Ron Vander Kelen

Reg. media dirs.: Patricia Borg, Jon Bird, Sally Siewert, Debra Roue

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158.

CENTURY/21

Trans World Corp.

	media dollars	
	1980	1981
Magazines	$ 72,000	$ 1,357,000
Supps	—	—
Newspapers	(no data)	(no data)
Network tv	12,732,000	13,506,000
Spot tv	2,522,000	1,747,000
Network radio	—	—
Spot radio	1,332,000	1,717,000
Outdoor	33,000	10,000
Total	**$16,891,000**	**$18,337,000**

Classification: real estate (LNA G-520)

Marketing/brand management:

Dir. corp. planning, Bruce Oseland

Vp-advtg., Bill Moseley

Agency: WRG/Townsend, Newport Beach, Calif.

Chm. WRG (West) & acct. supr., Ray Townsend

Sr. vp-mgmt. supr., Steve O'Leary

Sr. vp-dir. media, Robert Geis (N.Y.)

Vp-dir. media, Kent Olson (Newport Beach)

159.

AMERICAN DAIRY ASSN.

	media dollars	
	1980	1981
Magazines	$ 1,623,000	$ 902,000
Supps	—	181,000
Newspapers	534,000	765,000
Network tv	2,666,000	2,326,000
Spot tv	9,129,000	10,887,000
Network radio	423,000	384,000
Spot radio	2,287,000	2,500,000
Outdoor	312,000	379,000
Total	**$16,974,000**	**$18,324,000**

Classification: dairy products (LNA F-130)

Marketing/brand management:

Pres., Barry D. Pfouts

Vp-creative servs., Jane Holmes

Mgr. media plng. & serv., Donna Arcus

Agency: D'Arcy-MacManus & Masius, Chicago

Sr. vp-mgmt. supr., Benjamin Bishop

Vp-acct. grp. supr., Joanne Nottke

Sr. vp-dir. media servs., Joseph P. Zeller

Vp-assoc. media dir., George J. Ker

Media supr., Sandra S. Whitelaw and Mary Gerwig

Media plnrs.: Jeanette Jummat, Donna Schauer

Asst. plnrs.: Lynn Myers, Rob Carstens

160.

STAYFREE pads

Johnson & Johnson

	media dollars	
	1980	1981
Magazines	$ 2,664,000	$ 3,592,000
Supps	110,000	117,000
Newspapers	580,000	574,000
Network tv	10,514,000	12,831,000
Spot tv	4,000	99,000
Network radio	464,000	712,000
Spot radio	84,000	325,000
Outdoor	—	—
Total	**$14,420,000**	**$18,250,000**

Classification: feminine hygiene products (LNA D-123)

Marketing/brand management:

Dir. prod. mgmt., Ed Chase

Prod. dirs., Geoffrey A. Crane, Carol Naiman

Agency: Young & Rubicam, N.Y.

Sr. vp-mgmt. supr., Ricardo Calvillo

Acct. supr., Eva Schmatz

Acct. execs.: John Leonard, Mary Ellen Kennedy

Media grp. supr., Mark Arnold

Media supr., Tom Butta

Media plnrs.: Linda Stewart, Betsy Latt

161.

JOHNSON'S products

S. C. Johnson

	media dollars	
	1980	1981
Magazines	$ 4,046,000	$ 4,515,000
Supps	538,000	267,000
Newspapers	56,000	—
Network tv	10,888,000	11,048,000
Spot tv	1,458,000	2,200,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$16,986,000**	**$18,030,000**

Classifications: cleaners (LNA H-430); laundry preparations (LNA H-420); deodorizers (LNA H-243)

Marketing/brand management:

Vp-mktg., L. R. Newman

Dir. advtg. servs., August Priemer

General managers: B. P. Harro (personal care); R. E. Posey (insect control)

Grp. prod. mgrs.: J. D. Culea (floor, rug & laundry care); B. M. Pritchard (air fresheners, furniture and other surfaces care)

Agencies: FC&B, Chicago

Grp. mgmt. supr., Carl Behr

Mgmt. acct. suprs.: Linda Balogh, Daniel Fox

Sr. vp-media dir., Greg Blaine

Grp. media dir., Ralph Katz

Media suprs., Catherine Gerber, Helen Engelbrecht

JWT, Chicago

Mgmt. suprs.: Paula Kahn; Matt Kurz

Sr. vp-med. dir., Robert H. Irvine

Sr. vp-dir. media resources, Ron Kaatz

Assoc. media dir., Shari Wall

NH&S, Chicago

Mgmt. supr., Joan Black

Sr. vp-dir. media resources, David Drake

Assoc. media dir., Robert Garrison

162.

LUV's diapers

Procter & Gamble

	media dollars	
	1980	1981
Magazines	$ 1,536,000	$ 1,508,000
Supps	—	—
Newspapers	11,000	140,000
Network tv	477,000	13,135,000
Spot tv	16,238,000	3,194,000
Network radio	—	—
Spot radio	—	5,000
Outdoor	—	—
Total	**$18,262,000**	**$17,982,000**

Classification: underwear (LNA A-121)

Marketing/brand management:

Brand mgr., Steve Price

The media group includes:

Dir. media, Russ Condit

Media suprs.: James P. Connell, R. H. Jones, John Taylor

Assoc. media mgr., J. R. Maxwell

Agency: Dancer Fitzgerald Sample, New York

Sr. vp-mgmt. dir., Jean Plumez

Sr. vp-mgmt. supr., Richard Pounder

Vp-acct. supr., Douglas Harting

Sr. vp-media dir., Allen Banks

Vp-sr. assoc. media dir., Richard Weigand

Assoc. media dir., Estrea Dworkin

163.

HEAD & SHOULDERS shampoo

Procter & Gamble

	media dollars	
	1980	1981
Magazines	$ 896,000	$ 1,335,000
Supps	246,000	—
Newspapers	—	27,000
Network tv	11,287,000	14,272,000
Spot tv	3,256,000	2,165,000
Network radio	—	—
Spot radio	—	14,000
Outdoor	—	—
Total	**$15,685,000**	**$17,813,000**

Classification: shampoos (LNA D-121)

Marketing/brand management:

Assoc. advtg. mgr., John Costello

The media group includes:

Dir. media, Russ Condit

Media suprs.: James P. Connell, R. H. Jones, John Taylor

Assoc. media mgr., J. R. Maxwell

Agency: Tatham-Laird & Kudner, Chicago

Mgmt. supr., Kirk Borland

Acct. supr., Mary Lou Gorno

Acct. exec., Mary Johnson

Media dir., Leonard Materna

Assoc. media dir., Joanne Franck

Media supr., Mary Krueger

Media plan., Lisa Cole

Asst. media plan., Mary Hasten

164.

COMTREX cold remedy

Bristol-Myers

	media dollars	
	1980	1981
Magazines	$ 1,046,000	$ 1,239,000
Supps	—	—
Newspapers	11,000	—
Network tv	9,304,000	15,654,000
Spot tv	1,428,000	446,000
Network radio	—	—
Spot radio	41,000	175,000
Outdoor	180,000	155,000
Total	**$12,010,000**	**$17,669,000**

Classification: cold remedy (LNA D-212)

Marketing/brand management:

Sr. vp-media/mktg. servs., Marvin Koslow

Vp-media/mktg. servs., Peter Spengler

Brand mgrs.: Jane Parker, Joyce Blackburn

Mgr. new Prods., Herb Brotspies

Agencies: Boclaro (house agency)

Dir., Santo Critelli

Assoc. dirs.: Alan Yoblon, Bill Liptack, Leo Hoffman (consumer print)

Media mgr., Jack Sinnott

Dir. of media & prog. servs., Richard Glosman

Media plnr., Linda Goodman (creative)

Laurence, Charles & Free, N.Y.

Acct. supr., Al Evans

Acct. exec., Randy Greenwald

165.

FLORIDA CITRUS

Florida Citrus Commission

	media dollars	
	1980	1981
Magazines	—	$ 834,000
Supps	—	—
Newspapers	$ 704,000	445,000
Network tv	13,725,000	13,759,000
Spot tv	2,317,000	2,312,000
Network radio	—	—
Spot radio	—	6,000
Outdoor	—	—
Total	**$16,746,000**	**$17,356,000**

Classification: citrus products (LNA F-172-9)

Marketing/brand management:

Mktg. dir., Douglas Hoffer

Advtg. & prom., William P. Gordon

Mkt. research, George de Jager

Agency: Dancer Fitzgerald Sample, New York

Sr. vp-mgmt. supr., John L. Baldwin

Vp-acct. suprs.: Jack Mascola (grapefruit), Donn Dolan (oranges)

Sr. vp-media dir., Allen Banks

Vp-sr. assoc. media dir., Richard Weigand

Assoc. media dir., Jan Stenwreth

166.

TASTER'S CHOICE

Nestle

	media dollars	
	1980	1981
Magazines	$ 798,000	$ 950,000
Supps	—	18,000
Newspapers	532,000	563,000
Network tv	7,040,000	11,919,000
Spot tv	1,704,000	3,733,000
Network radio	—	—
Spot radio	88,000	84,000
Outdoor	—	—
Total	**$10,162,000**	**$17,267,000**

Classification: coffee (LNA F-171)

Marketing/brand management:

Dir. advtg., Dewey Yeager

Prod. mgr., J. R. Hall

Advtg. mgr. (media) Robert Bishopp

Agency: Leo Burnett, Chicago

Mgmt. div., Bill Smith

Sr. vp-media servs. div., Kenneth Lane

Media dir., Dick Hobbs

Media supr., Nancy Fochtman

For alphabetical index turn to page 60
Four-year trend totals start on page 64

167.

MINOLTA cameras/copiers

Minolta Corp.

	media dollars	
	1980	1981
Magazines	$ 5,474,000	$ 5,876,000
Supps	70,000	—
Newspapers	1,270,000	1,217,000
Net tv	6,381,000	5,271,000
Spot tv	5,440,000	3,935,000
Net radio	—	—
Spot radio	417,000	891,000
Outdoor	—	3,000
Total	**$19,052,000**	**$17,193,000**

Classification: cameras (LNA G-230); office machines (LNA B-312)

Marketing/brand management:
(cameras)
Dir. comm. & p.r., Harold Center
(office machines)
Mkt. develop. mgr., Bob Parks

Agency: William Esty, New York
Exec. vp-grp. mgmt. supr., L. M. Wassong
Mgmt. supr., J. E. Neal
Sr. vp-dir. media serv., William Seaman
Sr. vp-media dir., Tom Hill
Vp-magazine serv., Gerald Crennan
Vp-print serv., Tom Reddy

168.

WALT DISNEY

Walt Disney Productions

	media dollars	
	1980	1981
Magazines	$ 1,209,000	$ 713,000
Supps	—	—
Newspapers	146,000	372,000
Network tv	7,206,000	11,067,000
Spot tv	6,082,000	4,243,000
Network radio	—	—
Spot radio	—	762,000
Outdoor	28,000	11,000
Total	**$14,671,000**	**$17,168,000**

Classification: motion picture (LNA G-310), amuse. (LNA G-320)

Marketing/brand management:
Vp-media mktg., Carla Christenson
Mktg. services, Bob King

Agency: Vista Advtg., Anaheim, CA (house agency)
Mgr., Susan Olive
Bdcst. buyer, Sandy Dawson
Print buyer, Willy Ledon

Four-year trend totals start on page 64

169.

TRIUMPH cigarettes

Lorillard div., Loews Corp.

	media dollars	
	1980	1981
Magazines	$ 7,839,000	$ 8,857,000
Supps	2,567,000	629,000
Newspapers	10,669,000	4,340,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	2,635,000	3,206,000
Total	**$23,710,000**	**$17,032,000**

Classification: Tobacco (LNA G-110)

Marketing/brand management:
Brand mgr., Patricia Lawrence
Advtg. dir., Bill Sands
Outdoor buyer, Milt Zeisler

Agency: Dancer Fitzgerald Sample, New York
Exec. vp-mgmt. dir., Thomas Bohan
Vp-mgmt. supr., Don Bigda
Sr. vp-media dir., Allen Banks
Vp-sr. assoc. media dir., Lou Capozzli
Vp-assoc. media dir., Nora Lapham
Sr. vp-dir. media plng., Ira Weinblatt

170.

MINUTE MAID

Coca-Cola Co.

	media dollars	
	1980	1981
Magazines	$ 1,527,000	$ 2,171,000
Supps	26,000	19,000
Newspapers	759,000	835,000
Network tv	11,710,000	12,139,000
Spot tv	1,733,000	920,000
Network radio	1,441,000	530,000
Spot radio	—	283,000
Outdoor	—	—
Total	**$17,196,000**	**$16,897,000**

Classification: Fruit juices (LNA F-172)

Marketing/brand management:
Exec. vp-mark. mgr., E. V. Amoroso
Vp-mktg. planning, A. G. Munkelt
Mktg. manager (frozen juices), M. P. Youngjohn
Mktg. manager (refrigerated products), H. S. Robinson
Mktg. manager (dry grocery products), F. E. Blod
Mktg. serv. manager, S. Poley
Med. mgr., M. Bracken

Agency: Marschalk, New York
Exec. vp-media dir., Arthur Wilen
Dir. media plng., Rodger White

171.

STOUFFER'S foods

Nestle Enterprises

	media dollars	
	1980	1981
Magazines	$ 2,323,000	$ 2,514,000
Supps	14,000	3,000
Newspapers	611,000	387,000
Network tv	6,013,000	7,586,000
Spot tv	7,359,000	6,017,000
Network radio	—	—
Spot radio	9,000	182,000
Outdoor	97,000	52,000
Total	**$16,426,000**	**$16,741,000**

Classification: prepared foods (LNA F-162, F-126, F-180, F125)

Marketing/brand management:
Vp-marketing, Gerald DeCroce
Mark. mgr. entrees, David Alexander
Mark. mgr. new ventures, Milton Miles
Brand mgr., side dishes, Ulf Anderfelt
Brand mgr. pizza, Joseph Gaeto

Agency: Creamer, Pittsburgh
Vp and grp. supr., Richard Weber
Vp dir. med., Allan Linderman

172.

HOLIDAY INNS

Holiday Inns, Inc.

	media dollars	
	1980	1981
Magazines	$ 3,636,000	$ 3,649,000
Supps	—	—
Newspapers	13,000	—
Network tv	8,900,000	10,509,000
Spot tv	649,000	791,000
Network radio	—	—
Spot radio	59,000	65,000
Outdoor	1,489,000	1,689,000
Total	**$14,746,000**	**$16,703,000**

Classification: hotels (LNA T-431)

Marketing/brand management:
Sr. vp-mktg., Christopher C. Browne
Vp-systems mktg., Doug Bell
Dir., systems adv., Scott Deaver

Agency: Young & Rubicam, N.Y.
Vp-med. grp. supr., Mark Arnold
Media supr., Tom Butta
Media plnr., Betsy Latt
Sr. vp-dir. comm. dev., Theresa MacDonald
Med. supr., Greg Billie

Also see story on Stouffer's Lean Quisine in Decisions Spring 1982 special issue

173.
TAB soft drinks
Coca-Cola Co.

	media dollars 1980	1981
Magazines	$ 545,000	$ 754,000
Supps	—	—
Newspapers	10,000	20,000
Network tv	5,967,000	7,443,000
Spot tv	7,061,000	8,054,000
Network radio	—	—
Spot radio	160,000	311,000
Outdoor	113,000	109,000
Total	**$13,856,000**	**$16,691,000**

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Asst. brand mgr., Frances Stuart
Dir.-media serv., Charlotte Weissenberger
Agency: McCann-Erickson, inc., Atlanta
Vp-acct. supr., David Clapp
Acct. exec., Jay Heisler
Exec. vp-dir. media services, Gene DeWitt
Sr. vp-plng. dir., Ira Cavlin
Vp-assoc. plng. dir., George Hayes
Media grp. head, Kevin Mannron

174.
MENNEN toiletries
Mennen Co.

	media dollars 1980	1981
Magazines	$ 423,000	$ 642,000
Supps	—	—
Newspapers	—	—
Network tv	12,827,000	13,914,000
Spot tv	409,000	273,000
Network radio	—	—
Spot radio	407,000	1,748,000
Outdoor	—	—
Total	**$14,066,000**	**$16,577,000**

Classification: personal hygiene (LNA D-120), medicated skin products) (LNA -D216)
Marketing/brand management:
Dir. mktg., Bill Mathewson
Cat. mktg. mgr. (men's), Bill Breakey
Prod. mgr. (babies/women's), Dave Dobbins
Agencies: Grey Advertising, NY
(babies/women's products)
Vp-dir. media/programming, Alec Gerster
Vp-assoc. media dir., Russ Booth
Acct. supr., Peter Isaia
SSC&B, New York
Exec. vp-mgmt. supr., Spencer Plavoukos
Vp-acct. supr., Gunnar Wilmot
Vp-assoc. media dir., Carl Kotheimer
Asst. media dir., Douglas Gluck

175.
DR PEPPER soft drink
Dr Pepper

	media dollars 1980	1981
Magazines	—	$ 1,099,000
Supps	—	—
Newspapers	$ 531,000	732,000
Network tv	6,932,000	9,833,000
Spot tv	7,606,000	3.090,000
Network radio	—	—
Spot radio	1,664,000	1,502,000
Outdoor	277,000	122,000
Total	**$17,010,000**	**$16,378,000**

Classification: soft drinks (LNA F-220)
Marketing/brand management:
Exec. vp-gen. mgr., T. L. Kalahar
Vp-con. mktg., William L. Schermerhorn
Dir. brand mgmt., D. G. Valentine
Agencies: Y&R, New York
Exec. vp-grp. dir., Bill Thompson
Vp-mgmt. supr., Ed Comiskey
Acct. execs.: Justin Parks, James Bogie (Sugar Free)
Vp-media grp. supr., Ira Tumpowsky
Media supr., Don Davis
Eagle Advertising (House agency)
Media mgr., Brenda Wurst

176.
QUAKER foods
Quaker Oats Co.

	media dollars 1980	1981
Magazines	$ 2,023,000	$ 1,360,000
Supps	49,000	55,000
Newspapers	83,000	249,000
Network tv	14,075,000	8,814,000
Spot tv	2,957,000	5,781,000
Network radio	—	—
Spot radio	28,000	30,000
Outdoor	—	—
Total	**$18,215,000**	**$16,289,000**

Classification: cereals (LNA F-120), cookies (LNA F-113)
Marketing/brand management:
Media dir., (Quaker Oats) Bill Brown
Vp/mkt., foods, Douglas Mills
Agency: Adcom, Inc., Chicago
(house agency for cereals)
Vp/dir. of media, Joan G. Stark

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Bozell & Jacobs, Inc., Dallas
(ritz snacks)
Vp-acct. supr., Mike Gallant
Sr. vp-dir. med., Hugh O'Brien
Assoc. med. dir., Sandy Weisberger
BBDO, New York
(cereals)
Sr. vp-dir. media & prog., Arnold Semsky
Med. plan. grp. head, John Belfiore
Vp-assoc. med. dir., Bill Wiener
Vp-mgmt. supr., Charlie Decker

177.
RAGU sauce
Chesebrough-Pond's

	media dollars	
	1980	1981
Magazines	$ 608,000	—
Supps	—	—
Newspapers	372,000	$ 237,000
Network tv	16,804,000	12,761,000
Spot tv	3,209,000	3,240,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$20,993,000	$16,238,000

Classification: condiments (F-116)
Marketing/brand management:
Vp-mktg., Charles Perrin
Grp. prod. mgrs.: E. Volkweir (Ragu); Mike Jeans (Pizza Quick Sauce); William Wilde (new products)
Media dir. corp., Joseph Campion
Agency: Waring & LaRosa, New York
Mgmt. supr., Irwin Levy
Acct. suprs., Genevieve Shore (spaghetti sauce); Don Amira (Pizza-Quick)
Acct. execs.: Clark Oliver, Guss Michele
Sr. vp-media dir., Martin Narva
Assoc. media dir., Jean Mandel
Media plan., Debra Bergman

178.
L'EGGS
Hanes Corp., Consolidated Foods

	media dollars	
	1980	1981
Magazines	$ 2,533,000	$ 1,954,000
Supps	16,000	123,000
Newspapers	163,000	563,000
Network tv	15,354,000	11,624,000
Spot tv	331,000	334,000
Network radio	765,000	—
Spot radio	1,708,000	1,617,000
Outdoor	—	—
Total	$20,870,000	$16,215,000

Classification: Hosiery (LNA A-160)
Marketing/brand management:
Vp. mktg., Walter Pilcher
Dir. of advtg., Scott W. Burcham
Dir. of mktg., Donald F. Folger
Agency: Dancer Fitzgerald Sample, New York
Sr. vp-mgmt. dirs.: Gary Susnjara, Michael Donahue
Sr. vp-media dir., Allen Banks
Sr. vp-assoc. media dir., Ira Weinblatt
Vp-assoc. media dir., Walter Tietz
Media supr., Joe Pena

179.
TV GUIDE
Triangle

	media dollars	
	1980	1981
Magazines	$ 653,000	$ 443,000
Supps	—	—
Newspapers	672,000	677,000
Network tv	—	—
Spot tv	15,755,000	14,699,100
Network radio	—	365,000
Spot radio	27,000	18,000
Outdoor	3,000	—
Total	$17,110,000	$16,202,000

Classification: magazines (LNA B-420)
Marketing/brand management:
Pub., Eric Larson
Advtg. dir., Tom McDonough
Advtg. prom. mgr., Arthur Brener
Agency: N W Ayer, New York
Exec. vp, Al Wolfe
Vp-acct. supr., George Malcomson
Sr. vp-media dir., Marcella Rosen
Vp-assoc. media dir., Brian Hughes

180.
DURACELL batteries
Dart & Kraft

	media dollars	
	1980	1981
Magazines	—	—
Supps	—	—
Newspapers	—	—
Network tv	$11,498,000	$14,736,000
Spot tv	2,493,000	1,054,000
Network radio	—	257,000
Spot radio	—	46,000
Outdoor	—	—
Total	$13,991,000	$16,093,000

Classification: appliance equipment (LNA H-220)
Marketing/brand management:
Prod. grp. mgr., Kevin Kelly

Prod. mgr., Mark Lucas
Agency: DFS, New York
Exec. vp-mgmt. supr., Jean Plumez
Sen. vp-mgmt. supr., Thomas Burke
Acct. supr., Phil Juliano
Exec. vp-med. dir., Allen Banks
Vp-sen. assoc. med. dir., Richard Weigand
Assoc. med. dir., Estrea Dworkin

181.
GAINES pet foods
General Foods

	media dollars	
	1980	1981
Magazines	$ 4,874,000	$ 778,000
Supps	69,000	—
Newspapers	479,000	—
Network tv	12,117,000	12,438,000
Spot tv	3,738,000	2,685,000
Network radio	87,000	—
Spot radio	—	80,000
Outdoor	—	—
Total	**$21,364,000**	**$15,981,000**

Classification: pet supplies (LNA G-530)
Marketing/brand management:
Gen. mgr., Ralph Cobb
Mktg. mgr., Ray Viault
Cat. mgr., Frank Cutry
The media group includes:
Dir. media servs., David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth
Agency: Young & Rubicam, N.Y.
(Gainesburgers)
Acct. supr., Ken Robinson
Acct. exec., Belle Frank
Sr. vp-media grp. supr., George Sharpe
Media supr., Bill Colihan

182.
TRUE cigarettes
Lorillard Div., Loews

	media dollars	
	1980	1981
Magazines	$ 5,593,000	$ 5,267,000
Supps	1,891,000	807,000
Newspapers	6,295,000	5,409,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Spot radio	—	—
Outdoor	4,491,000	4,299,000
Total	**$16,270,000**	**$15,782,000**

Classification: tobacco (LNA G-110)
Marketing/brand management:
Exec. vp-mktg., J. Robert Ave
Vp-adv., Tom Mau
Grp. brand dir., Michael Burke
Brand mgr., John Marks
Media dir., Bill Sands
Mgr. in-home media, Steve Molloy
Mgr. out-of-home, Lucy Puccio
Agency: D'Arcy, MacManus & Masius, New York
Sr. vp-exec. dir. media, George S. Karalekas
Vp-assoc. media dir., John F. Roth
Media supr., Richard Gearhart
Media planner, Andrea Furman
Exec. vp, Robert Berman
Sr. vp-mgmt. supr., Steven Seiter
Acct. supr., Fred Jacobs
Acct. exec., Seth Cohan

183.
CHEF BOY-AR-DEE foods
American Home Products

	media dollars	
	1980	1981
Magazines	$ 589,000	$ 369,000
Supps	7,000	143,000
Newspapers	203,000	554,000
Network tv	10,697,000	10,691,000
Spot tv	3,360,000	3,281,000
Network radio	766,000	621,000
Spot radio	99,000	104,000
Outdoor	—	—
Total	**$15,721,000**	**$15,763,000**

Classification: prepared foods (LNA F-120)
Marketing/brand management:
Vp-mktg. dir., Ted Host
Vp-prod. mgmt., K. H. Becker
Advtg. dir., Warren Kratzke
Prod. mgrs.: Dick Prentice, Paul Derez, J. Horvrath, Robert Gjessing, R. Lorys
Agency: Young & Rubicam, N.Y.
Acct. suprs.: Bill Brown, Jordan Stanley
Vp-media grp. supr., Carla Pascale
Media supr., Aileen Takiki

184.
LINCOLN
Ford Motor

	media dollars	
	1980	1981
Magazines	$ 1,518,000	$ 2,811,000
Supps	—	36,000
Newspapers	6,033,000	4,077,000
Network tv	9,536,000	4,307,000
Spot tv	4,891,000	1,637,000
Network radio	—	97,000
Spot radio	1,294,000	957,000
Outdoor	168,000	1,758,000
Total	**$23,440,000**	**$15,680,000**

Classification: passenger cars (LNA T-110)
Marketing/brand management:
(Lincoln-Mercury div.)
Gen. mktg. mgr., B. J. Coughlan
Advtg. mgr., John B. Vanderzee

Agency: Young & Rubicam, Detroit
Sr. vp. grp. dir., John Sanders
Vp-grp. dir., C. E. Riley
Vp-media, E. K. Pool, Jr.

185.
PREPARATION H
American Home Products

	media dollars	
	1980	1981
Magazines	$ 1,334,000	$ 914,000
Supps	186,000	195,000
Newspapers	604,000	408,000
Network tv	6,976,000	10,277,000
Spot tv	1,854,000	1,104,000
Network radio	638,000	2,134,000
Spot radio	3,349,000	328,000
Outdoor	—	—
Total	**$14,941,000**	**$15,360,000**

Classification: medicine (LNA D-210)
Marketing/brand management:
Grp. mgr., G. Wosleger
Prod. mgr., H. Dies

Agency: Kornhauser & Calene
Sr. vp-mgmt. supr., Bill Schenkel
Vp-media dir., Gary Faver

186.
WHIRLPOOL appliances
Whirlpool Corp.

	media dollars	
	1980	1981
Magazines	$ 3,679,000	$ 3,776,000
Supps	184,000	166,000
Newspapers	1,843,000	1,568,000
Network tv	5,691,000	8,427,000
Spot tv	2,345,000	1,358,000
Network radio	120,000	41,000
Spot radio	140,000	—
Outdoor	23,000	1,000
Total	**$14,025,000**	**$15,337,000**

Classification: major appliances (LNA H-210)

Marketing/brand management:
Dir.-mktg. comm., David Allen
Dir. advtg./sales prom., Ronald Gow
Natl. advtg. mgr., Jim Clever

Agencies: D'Arcy-MacManus & Masius, Bloomfield Hills, MI
Pres., James T. Doyle
Exec. vp-mgmt. supr., Richard P. Monley
Vp-acct. supr., Ken Brandt
Sr. vp-dir. media, Lucien DiSalvo
Vp-media dir., Robert Spaulding
Assoc. med. dir., Ed Coosaia

The Netedu Co., Benton Harbor, MI
Pres., Charles F. Worthington
Acct. execs.: John Hoffman, Carl Coon, Bill Sherrington, Rich Stone, Mike Kosinski

187.

AMTRAK rail system

National Railroad Passenger Corp.

	media dollars 1980	1981
Magazines	$ 1,105,000	$ 2,610,000
Supps	—	—
Newspapers	2,115,000	3,741,000
Network tv	1,328,000	1,457,000
Spot tv	2,238,000	3,163,000
Network radio	—	—
Spot radio	4,995,000	4,313,000
Outdoor	5,000	7,000
Total	$11,786,000	$15,291,000

Classification: railroad (LNA T-411)
Marketing/brand management:
Grp. vp-mkt. & corp. plng., William Norman
Advtg. dir., William Castleberry
Advtg. spec., Mary Ellen Stahl
Agency: NH&S, New York
Sr. vp-mgmt. rep., John J. Gellatly
Vp-media mgr., Bernie Newman
Media supr., Steven Flans

188.

DE BEERS diamonds

De Beers Con. Mines

	media dollars 1980	1981
Magazines	$ 8,573,000	$11,270,000
Supps	—	73,000
Newspapers	—	—
Network tv	1,850,000	3,866,000
Spot tv	56,000	27,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$10,479,000	$15,236,000

Classification: jewelry (LNA G-211)
Agency: N. W. Ayer, NY
Exec. acct. dir., Ruth Salvouris
Mgmt. super., Harkness Cram
Med. super., Andrea Fields Harris
Assoc. med. dir., Michael Gross
Med. plan., Paulette Keffas
Asst. med. plan., Diana Rhodes

189.

BRIM coffee

General Foods

	media dollars 1980	1981
Magazines	$ 1,374,000	$ 161,000
Supps	583,000	257,000
Newspapers	858,000	379,000
Network tv	10,318,000	9,768,000
Spot tv	4,312,000	4,540,000
Network radio	—	—
Spot radio	—	151,000
Outdoor	—	—
Total	$17,445,000	$15,256,000

Classification: coffee (LNA F-171)

Marketing/brand management:
Grp vp, Bob Seelert
Mktg. & dev. mgr., Steve Morris
Cat. mgr.: Charles Phillips
Sr. prod. mgr., Barbara Lawrence
Assoc. prod. mgr., Mark Brown
Asst. prod. mgr., Mickey Goodman

The media group includes:
Dir. media servs., David K. Braun
Assoc. media dir., P. E. Kane
Mgr. media, Robert Gillespie
Media coor., L. F. Meyer
Mgr. media plng., D. J. Miceli
Mgr. media res., James Spaeth

Agency: Benton & Bowles, New York
Acct. supr., Ted Donahue
Sr. vp-dir. media mgmt., Michael Moore

De Beers
A diamond is forever.

It's in VOGUE.
The book women live by.

190.
RENAULT
American Motors

	media dollars	
	1980	1981
Magazines	$ 3,854,000	$ 5,839,000
Supps	—	—
Newspapers	794,000	763,000
Network tv	4,626,000	2,952,000
Spot tv	4,884,000	5,632,000
Network radio	—	—
Spot radio	15,000	—
Outdoor	—	13,000
Total	**$14,173,000**	**$15,199,000**

Classification: passenger cars (LNA T-112)
Marketing/brand management:
Mktg. dir., Howard Mosher
Advtg. mgr., Marvin Klein
Agency: Grey Advertising, New York
Acct. supr., Ray Raaver
Acct. exec., Ellen Crauthamer
Sr. vp-media & prog., Alec Gerster
Media supr., Jack Jadick

191.
KAL KAN dog food
Mars Inc.

	media dollars	
	1980	1981
Magazines	—	$ 1,025,000
Supps	—	—
Newspapers	$ 109,000	408,000
Network tv	8,787,000	7,604,000
Spot tv	2,867,000	6,123,000
Network radio	—	—
Spot radio	25,000	28,000
Outdoor	—	—
Total	**$11,788,000**	**$15,188,000**

Classification: pet foods (LNA G-531)
Marketing/brand management:
Vp-mktg., Ed Conn
Mktg. dir., Mike Nelson and Alfred Poe
Mktg. serv. dir., B. Billings
Agencies: Ted Bates, NY
Mgmt. rep., Jerry Brady
Vp. med. dir., Nancy Clott
D'Arcy MacManus & Masius, St. Louis
Sr. vp-mgmt. super., Jack Bruemmer
Acct. grp. super., Bob Faust
Med. super., Mike Nyikef

192.
BIC pens, lighters, shavers
Bic Pen Corp.

	media dollars	
	1980	1981
Magazines	$ 10,000	$ 17,000
Supps	—	—
Newspapers	—	—
Network tv	9,810,000	14,343,000
Spot tv	164,000	512,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	**$9,984,000**	**$14,872,000**

Classification: stationery (LNA-B-320), smoking materials (LNA G-120), shaving equipment (LNA D-120)
Marketing/brand management:
Mktg. mng., Don Welchek
Ad. mgr., David Furman
Agency: Wells Rich Greene, NY
Acct. grp. head, Gary Roberts
Acct. super., Terry Koch-Bostic
Med. grp. super., Pat Casa

193.
BUSCH
Anheuser-Busch

	media dollars	
	1980	1981
Magazines	$ 102,000	$ 31,000
Supps	—	—
Newspapers	93,000	177,000
Network tv	—	—
Spot tv	14,067,000	8,292,000
Network radio	—	—
Spot radio	4,367,000	5,850,000
Outdoor	211,000	325,000
Total	**$18,840,000**	**$14,675,000**

Classification: beer (LNA F-310)
Marketing/brand management:
Vp-mktg., Michael J. Roarty
Vp-brand mgmt., Jack MacDonough
Vp-corp. media, Charles B. Fruit
Grp. mktg. mgr., Davis L. Morris
Sr. prod. mgr., Michael C. Palmer
Brand prom. mgr., William E. Braun
Agency: NH&S, Chicago
Sr. vp-mgmt. rep., Ronald Bess
Vp-acct. dir., Patrick Martin
Acct. supr., Mike Kearns
Acct. exec., David Beals
Sr. vp-media dir., David Drake
Assoc. media dir., Tom McAlevey
Media suprs.: Patrick McDonough, Julie Guerrerd
Media plnrs.: Doug McCoy, Barbara Woelfler
Print plnr., Marie Lehan
Local bdcst. buyers: Marianne Monahan, Nancy McGroarty, Nancy Evelyn, Susan Mahoney, Lenore Murphy, Dale Ruthenberg
Network supr. (radio), Ira Berger

194.
FRESH START detergent
Colgate-Palmolive

	media dollars	
	1980	1981
Magazines	—	$ 1,510,000
Supps	—	—
Newspapers	$ 149,000	203,000
Network tv	1,868,000	8,237,000
Spot tv	9,822,000	4,649,000
Network radio	—	—
Spot radio	—	—
Outdoor	65,000	42,000
Total	**$11,904,000**	**$14,841,000**

Classification: heavy-duty detergent (LNA H-413)
Marketing/brand management:
Vp-mktg. dir., Robert Blanchard
Agency: Kenyon & Eckhardt, NY
Mgmt. super., Jack Couch
Acct. super., David McConnaughey
Acct. exec., Sandy Tapter
Med. super., Madeleine Blount
Med. plan., Bob Turner

195.
CHEERIOS cereal
General Mills

	media dollars	
	1980	1981
Magazines	$ 33,000	$ 19,000
Supps	—	—
Newspapers	19,000	—
Network tv	7,025,000	7,569,000
Spot tv	5,939,000	7,017,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	9,000
Total	**$13,016,000**	**$14,814,000**

Alphabetical index starts on page 60
Four-year trend totals start on page 64

For alphabetical index turn to page 60. Trend comments start on page 64.

Classification: cereals (LNA F-122)
Marketing/brand management:
Prod. mgr., Martin Luther
Agency: Dancer-Fitzgerald-Sample, NY
Vp. mgmt. super., E. F. Bunn
Acct. exec., Michael Burns
Med. super., Jack Irving

196.
HALLMARK cards
Hallmark Cards

	media dollars 1980	1981
Magazines	$ 27,000	$ 830,000
Supps	—	—
Newspapers	—	—
Network tv	13,560,000	13,627,000
Spot tv	61,000	84,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$13,658,000	$14,541,000

Classification: greeting cards (LNA B-321)
Marketing/brand management:
Dir. adv. & sls. prom., Allan Shaw
Agencies: Y&R, New York
Acct. supr., Gerard Du Four
Grp. med. supr., Joe Mannix
Ogilvy & Mather, New York
(Ambassador Cards Div.)
Acct. supr., Betsy Weiser
Med. plan., Kristy Allen

197.
TOPOL tooth polish
Jeffrey Martin Co.

	media dollars 1980	1981
Magazines	$ 73,000	$ 44,000
Supps	—	—
Newspapers	54,000	49,000
Network tv	6,142,000	6,964,000
Spot tv	3,815,000	4,068,000
Network radio	3,002,000	3,406,000
Spot radio	—	—
Outdoor	—	—
Total	$13,086,000	$14,531,000

Classification: dental supplies (LNA D-121)
Marketing/brand management:
Pr., Martin Himmel
Vp-mktg. & advt., Robert Varian
Mktg. dir., John E. Sullivan
Agency: Dunnan & Jeffrey, Union, N.J.
(house agency)
Pres., Martin Himmel

198.
PERT shampoo
Procter & Gamble

	media dollars 1980	1981
Magazines	$ 1,883,000	$ 1,759,000
Supps	—	—
Newspapers	—	25,000
Network tv	13,103,000	11,301,000
Spot tv	1,628,000	1,359,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	—
Total	$16,614,000	$14,444,000

Classification: hair products (LNA D-141)
The media group includes:
Dir. media, Russ Condit
Media suprs.: James P. Connell, R. H. Jones, John Taylor
Assoc. media mgr., J. R. Maxwell
Agency: Compton, New York
Acct. grp. supr., Philip Voss, Jr.
Sr. vp-media mgr., Joseph Burback

199.
PRUDENTIAL insurance
Prudential Insurance Co.

	media dollars 1980	1981
Magazines	$ 819,000	$ 623,000
Supps	—	17,000
Newspapers	147,000	211,000
Network tv	9,558,000	12,477,000
Spot tv	72,000	983,000
Network radio	—	42,000
Spot radio	3,000	—
Outdoor	—	—
Total	$10,599,000	$14,353,000

Classification: insurance (LNA B-210)
Marketing/brand management:
Adv. dirs., Dinah Keefe and Peter Briggs
Agency: Ted Bates, NY
Mgmt. super., Lee Hines
Acct. super., Irene Lubgan
Acct. exec., George Renner
Med. dir., Louis Hecker
Med. super., Bill Del Tofta
Med. plans., Amy Simon and Randy Novick

200.
HANES hosiery
Hanes Corp. (Consolidated Foods)

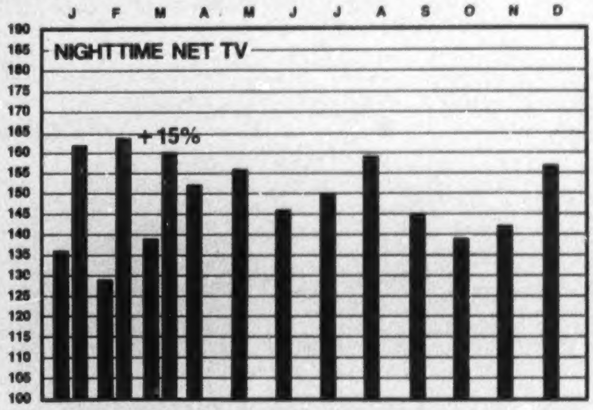
	media dollars 1980	1981
Magazines	$ 2,287,000	$ 1,954,000
Supps	—	123,000
Newspapers	—	284,000
Network tv	7,779,000	11,624,000
Spot tv	492,000	344,000
Network radio	—	—
Spot radio	—	—
Outdoor	—	3,000
Total	$10,558,000	$14,332,000

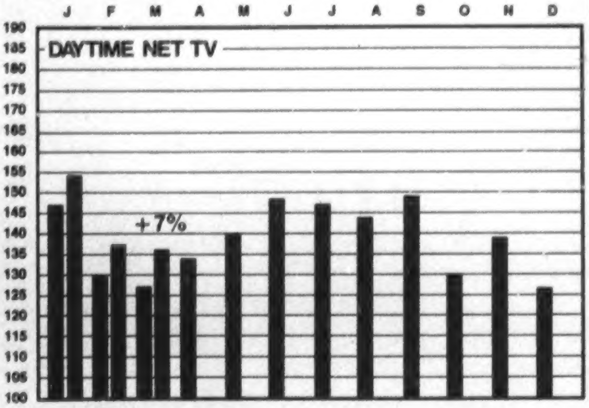
Classification: hosiery (LNA A-160)
Marketing/brand management:
Vp-mktg., W. F. Kambach
Prod. mgr., Candy Herron
Agency: Dancer-Fitzgerald-Sample, NY
Acct. super., Nancy Brughart
Acct. exec., Harley Griffiths
Med. super., Jeff Gouverneur

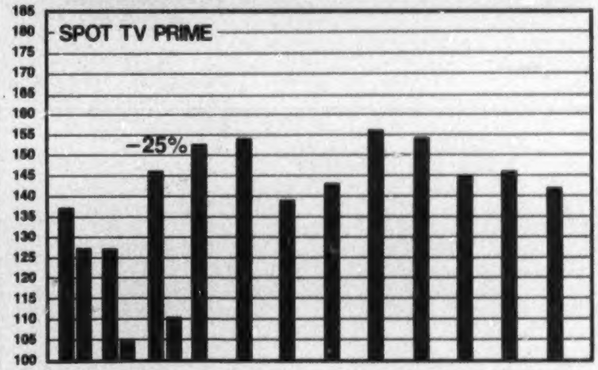
The expenditures in the eight major national advertising media of the top 200 advertised brands represents about 46% of all dollars invested in those media. For more detailed information on how each brand spends its ad dollars and for how other brands (those with budgets totalling less than $14.3 million in the eight major media) split their budgets the sources are Leading National Advertisers, Broadcast Advertiser Reports, Media Records, and Radio Expenditure Reports.

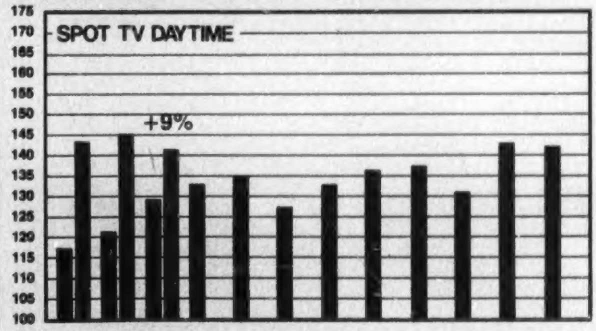
MEDIA COST INDEX

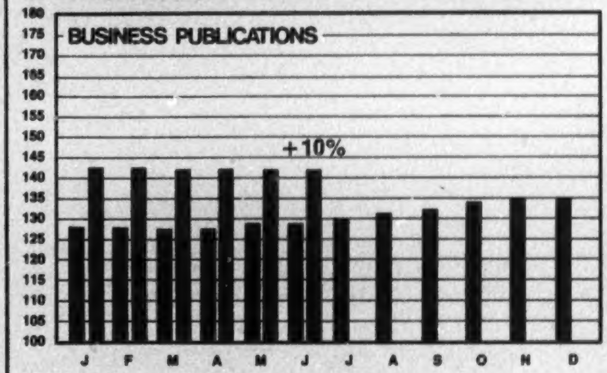
Black bars index for 1981; red bars 1982; base year 1977











Media prices continued to move up as indicated in the charts at left and on the next page.

Consumer magazines continued to price themselves 10% above last year through May 1982. The same was true of business publications. Both these categories simply reflected cost rises in paper, printing, postage and people.

Spot radio continues in a similar pattern compared to last year — prices up 10% in each month of 1982 compared to 1981 through June. In contrast, network radio has had its comparative ups and downs this year — below last year in the first few months, but picking up as the year developed.

Daytime net tv is repeating its 1981 performance, with increases running about 7% of same months in the year previous — both this year and last.

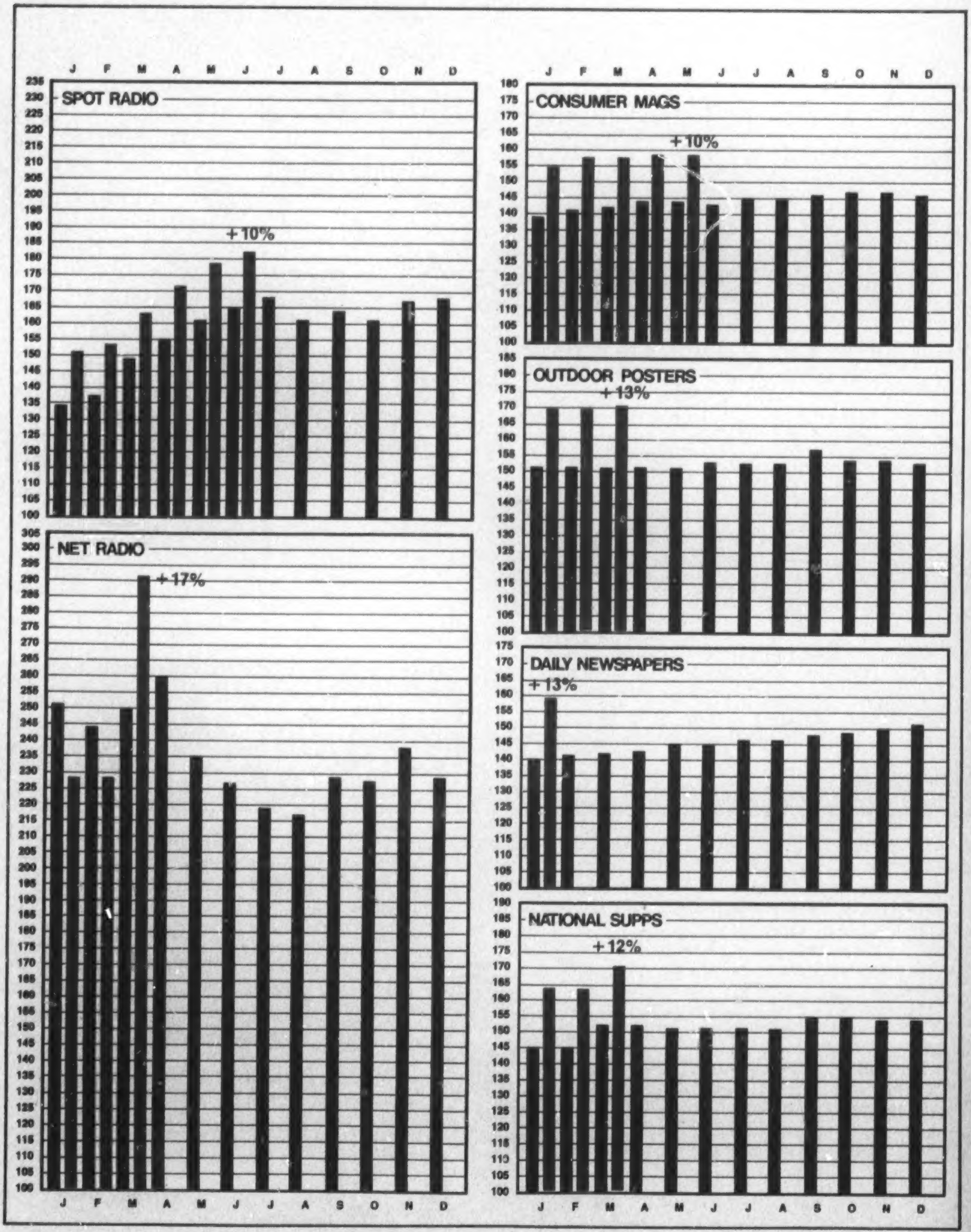
Nighttime network tv was weak during the first few months of 1981, but in 1982 performance has been much better, as reflected by the prices — 15% above 1981 for the month of March 1982.

Continued on page 216

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



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8/9/82

1983 forecast: Wall Street's predictions and marketers' plans

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Will advertisers fit in the media room?

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NOTHING HITS THE SPOT
LIKE A DELICIOUS
HOT BOWL OF PROTEIN
AND VITAMIN A.

Regional magazine advertisers
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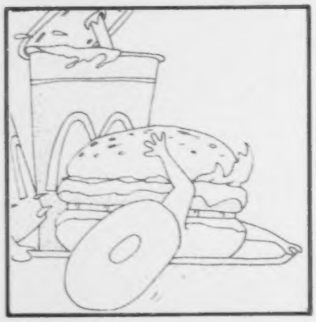

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A rose or a council by any other name

The Broadcast Rating Council took a step this summer to expand its purview by renaming itself the Electronic Media Rating Council. (See: "*VTR Breakthrough - part 2,*" February 1978, pg. 68).

Daniel Kops, rating council chairman and president of Kops-Monahan Communications, comments: "It is crucial for the continued, orderly growth in telecommunications that a fully representative organization evolve. The by-laws were amended to create new categories of membership making the organization more representative. Further, committees, for cable tv and new technologies, were formed to join our existing radio and tv committees.

"Most significantly, the Cable Advertising Bureau, Westinghouse Broadcasting and Cable, Inc., Storer Broadcasting Co., Capital Cities Communications and Cox Broadcasting Corp. have joined the council."

The Electronic Media Rating Council is the independent organization which monitors the procedures and performances of accredited broadcast rating services to assure the credibility of broadcast audience measurements.

Marketing with the new 900 phone number

Telemarketing is taking another step ahead with applications of AT&T's 900 number service (See: "*Long distance long shot,*" April 1982, pg. 66). Fred Weismiller, group product manager, new network services, AT&T Long Lines, recently told the 100 Million Club that the 900 number system "is ideally suited to use on national television advertising because it can answer up to 600,000 callers per hour."

The system electronically answers incoming calls with a recorded message, which can provide up-to-date information to callers, with the caller incurring a 50 cent charge per call. Says Weismiller: "Because the caller pays for the call, the 900 number offers unique power in self-selection. A caller who spends 50 cent on a telephone call demonstrates a high interest in, and a strongly favorable predisposition toward, the product or service being advertised.

By making those calls, the prospects segment themselves at their own expense into a highly qualified target market."

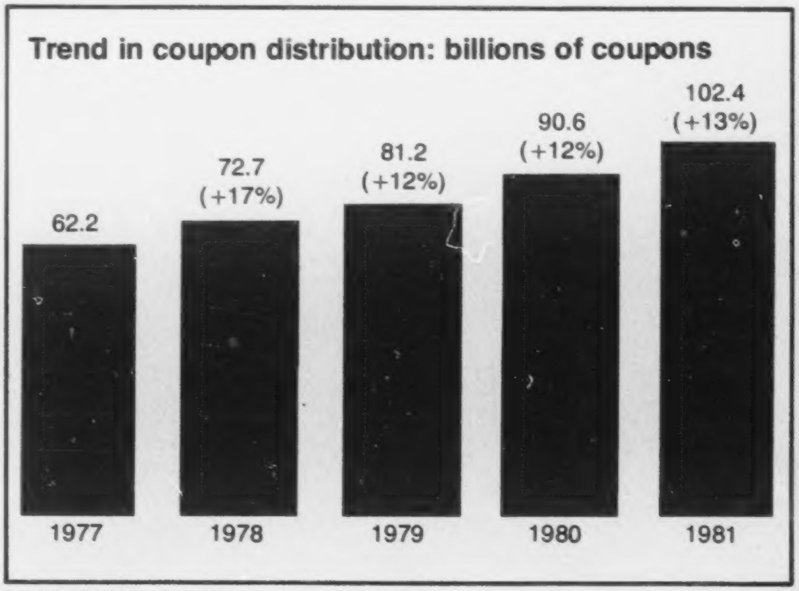
Weismiller believes the 900 number's advantages make it "a new communications medium" for the direct marketing industry.

More and more and more coupons

The distribution of cents-off coupons to consumers rose in 1981 by 13% to a total of 102.4 billion, according to the A. C. Nielsen Company (See: "*Coupon rip-off,*" May 1979, pg. 62). The average value of the coupons distributed also climbed, a 7% rise, to 19.8¢.

The *Promotion News Digest*, surveying recent research on couponing, cites several studies that show coupon use on the rise. "A recent survey by a major manufacturer to find the pattern of usage during a typical week disclosed that 63% of those queried had used coupons during the previous seven days. The average number of individual coupons used during the week was 7.7."

The report continues, "It has also been disclosed that there has been a particular growth in recent years in the use of coupons by households with an annual income under $10,000 (up from 51% in 1975 to 69% in 1980). Usage by non-white and Hispanic households grew faster than use by the U.S. population as a whole during this period."


Trend in coupon distribution: billions of coupons

Copyright A. C. Nielsen Company

euphoria due to serious advertiser participation in the new programing services, the cable systems themselves are in a serious capital squeeze. An increasingly large number of cable systems are being forced to spend big dollars on rebuilding and enlarging capacity due to needs of subscribers and realities of franchise protection.

Where only a year or two back, a cable operator could reasonably expect a 60% to 70% gross operating margin, the present expectation is now typically down to 40% to 45%. Therefore, systems are now looking for new revenue sources. In order for the national cable services to experience continued growth, it is extremely important for the cable operators to share in the profits of advertising support, as the national services are counting heavily on the local systems' ability to sell local time.

Put another way, the expansion of the national services is heavily influenced by the lure to cable systems of local ad revenues. If the cable operators are reluctant during this period of capital tightness and lower gross margins to invest in local sales and marketing capabilities, it could seriously impede the expansion plans of some of the newer national programing services.

However, if the major services continue to make the necessary financial commitments to better accomodate the viewers' need, and network shares continue to erode within an escalating price structure, the cable business should eventually chew up what it's bitten off. ■

TELEVISION
by JOHN M. REED
senior vp,
Ingalls Associates, Boston.

The mass medium that is right on target

Every time an article is printed about cable television the final statement always seems to be "commercial television is and will continue to be an extremely efficient *mass medium*."

"Today, the term 'mass media' has a very negative connotation. Every marketer seems set on narrowing his marketing target to as finite a geographic, demographic and psychographic profile as possible.

Cable television, if the press is believed, will allow target marketing, while television as we have known it for the past three decades is doomed to be used only by those marketers who cannot get their psychographics together.

Let us put to one side the fact that many marketers are trying so hard to target market (peer pressure can be hell) that they are missing a substantial portion of their key prospects, and talk about television as a mass medium.

While television can certainly be used as a mass medium, it has always enabled target marketing as good or better than most other consumer media.

Each consumer medium achieves market segmentation in a different way:

- Radio uses a specific format to reach desired target groups.
- Magazines use a certain editorial message and environment to attract selected readers.
- Newspapers use a concentration of similar subject matter in specific sections of the paper to attract particular demographics.
- Television uses variations in programing to appeal to different population segments.

Critical to evaluating any medium and its effectiveness to target market are *seven major criteria:*

1) Does a substantial number of my target group use this medium?

2) Does my target group spend enough time with this medium to enable my campaign to develop effective frequency?

3) How long a period of time does this medium take to achieve effective frequency (a week, a month, a year)?

4) Can my target group be reached efficiently by this medium?

5) Can my product or corporate message be communicated in this medium?

6) Does this medium allow me to match my product's distribution patterns?

7) Does this medium allow me to address my product's seasonal marketing needs?

With a minimum of debate, marketers should be willing to accept that television does fulfill points five, six and seven. But what of a marketer's other needs?

Does the target group use this medium?

Television's most severe test for target marketing would be against those people who are in the lower quintiles of viewership. My premise is: if a marketer can effectively use television to target market against those that use the medium least, he certainly can use it against people that use television the most. Below are several

PLAYBOY: In cautionary times, the best way to build share of market is by concentrating advertising in the largest, most efficient media. PLAYBOY is first among them.

In good times, you build your advertising programs in the same media to maximize profitability. Again, PLAYBOY is your basic buy.

The reason is simple. When you advertise in PLAYBOY, month after month, you reach almost 15 million men—men who buy an astounding one fourth of all spirits products. Men with a lust for life—and the means to live it well.

Which is why, good times or cautionary, the power of PLAYBOY is irrefutable.

**The Playboy reader.
His lust is for life.**

Source: MRI, Spring 1982 (Aud.)
& Fall 1981 (Prod./Mag.). © 1982 by Playboy.

demographic groups that are in the lower quintiles and the percent of each group that used television "yesterday."

Analyzing the groups above: younger adults are generally more active and have less time to watch television; better educated individuals are supposedly more discerning in their general media usage; individuals in the higher echelons of their professions have demands on their time that limit television usage; working women are unavailable during traditional women's programing; and very high income families have the discretionary income for activities other than television viewing; if 80% or better of *these* individuals view television daily, it's logical that most advertisers' target groups also use television daily.

Does the target group spend enough time with this medium to develop effective frequency?

The accompanying chart shows a cross-tab of low quintile demographic groups and the average hours per day that they spend watching television.

Chart A

	% using television "yesterday"*
Men 18-34	87
Women 18-34	85
College Grads (adults)	88
Prof/Tech (males)	88
Working Women (full-time)	83
HH Incomes $50,000 plus (adults)	88

---

* TvB 1982

Chart B

Low quintile groups and average tv viewing

	% of universe	Minimum time spent/day*
Males: Prof/Mgr, HH Income $25 +	76	2 hrs.
Males: 18-34 HH Income $25 +	70	2 hrs.
Males: Att. College + HH Income $25 +	75	2 hrs.
Female Homemaker Full Time Employed	76	2 hrs. 40 minutes
Female Homemaker: 18-34 HH Income $25 +	72	2 hrs. 40 minutes

---

* Simmons

Once again television, even against these lower quintiles, is able to command a significant commitment of time against 70% or more of these demographics. From the advertiser's standpoint, these viewing hour *minimums* still mean at least *24* commercial opportunites a day, *168* opportunites a week and *672* chances to sell this consumer in an average four week schedule.

How much to achieve effective frequency?

As we have seen even the lower quintiles of television viewership utilize television sufficiently to enable an advertiser to achieve effective frequency in as short a time as a couple of days.

Can my target group be reached efficiently by this medium?

In the broad populace of the United States, I hope I have demonstrated that even those who use television the least are still readily available to an advertiser.

The tighter an advertiser defines his consumer market, the more detailed his description of his key prospects must become. Included in this description are the kind of interests this person has and these naturally relate to the kind of television programing which will attract him. If this key prospect is a heavy user of television, of course, he can be reached efficiently.

However, if he is a light user of television, he can also be reached efficiently. It is the very selectiveness of this prospect's viewing that allows the advertiser to invest only those programs which fit his profile and hence, using minimal inventory, to develop an effective frequency against him.

Finally, if our prospect is a light viewer, the programing he selects is of great importance to him; the importance he places on his viewing translates into a higher level of attentiveness which only serves to heighten the impact of a commercial in this environment.

Television, while it does appeal to the masses, still provides advertisers (through its individual program environments) the ability to target market even against those who use this medium the least. ■

Illustration by Michael Gay

Brand Report 78:

Fast Food

The fast food industry is feeling the stirrings of rejuvenation after an extensive lull. Chains heavily promote products, events, and games in extensive campaigns to wrest business away from competitors. New product sensations include fish, pizza, and Mexican cuisine. Tv continues to be the mainstay medium.

Four years ago the fast food business looked like Custer's last stand.

Sales were stagnant, the industry appeared to have reached saturation point, and the trend in new product proliferation that had gripped it seemed to be at its logical conclusion. Some of the more pessimistic industry observers were predicting the demise of a few of the weaker chains, leaving the battle for precious turf to be fought by powers like McDonald's and Burger King.

In 1982 the picture looks different. Although sales are not galloping along at the rate they were during the booming seventies, many chains are forging ahead profitably.

A few, like Pepsico's Pizza Hut and Jerrico's Long John Silver's, have turned business around spectacularly. Only a few years ago both were considered faltering stepchildren in an industry where all comers seemed to savor success. Wall Street analysts now rank Long John Silver's as one of the 25 fastest growing companies in the U.S. Pizza Hut introduced a new product — Pan Pizza — that dramatically reversed fortunes. Sales were up

24% for Pizza Hut in 1981 over 1980.

Just when it appeared America's love affair with the Big Mac and the Whopper had mellowed, the industry confounded doomsayers by growing 3.6%. This is 75% faster than the growth of the overall restaurant business, according to the National Restaurant Association.

Fast food took its hard knocks when the recession swung into full force. Rather than eat out, many families found it cheaper to take their meals at home. Having basked in the glow of virtually unhindered growth for a decade, the fast food business was taken by surprise.

But fast fooders learned to adapt. While the recession is still lumbering along, virtually all chains have learned how to use it to their advantage. A plethora of promotional activity has helped overcome the widely dispersed consumer notion that "eating out is more expensive than eating in."

Chains have also latched onto a heightened interest in food quality. This has broad ramifications in marketing and advertising. Some chains position themselves against others as having superior burgers or a broader array of "healthful" products.

"Burger King stands out in this," says Michael Culp, senior vp for E.F. Hutton. "Advertising concentrates on *what* their food tastes like rather than on vignettes." The product quality trend extends to other chains as well, he says. Examples include Jack-in-the-Box's head-to-head strategy with McDonald's. Ads compare the Supreme sandwich line with the Big Mac. One top of the line Jack-in-the-Box delicacy includes a croissant sandwich for breakfast goers.

The product quality image, which figures importantly in new campaigns from Wendy's, Arby's, and Jack-in-the-Box, is a way of distinguishing one chain's products from another, according to Culp. "The industry is approaching saturation," he says, "and people are confused." The trend, he notes, was sparked by Wendy's successful "hot and juicy" ad campaign a few years ago. Creative focused on Wendy's all-meat fresh hamburger, an obvious departure from major competitors' generic advertising. Culp laments the fact that in subsequent campaigns, Wendy's abandoned its "hot and juicy" theme for campaigns that had "nothing to do with food quality."

In a new campaign that broke in July, Wendy's reverted to the "quality food" plug: spots feature the food in what a company spokesman described as the "best color photography" the company has ever done.

The road to "high quality" is only one of the ways fast fooders have fine-tuned their marketing efforts to adapt to economic doldrums.

Some of the others:

Promotion

"More meals are purchased on a deal" than ever before, says Merrill Lynch vp Bill Trainer. Indeed, promotion is so hectic these days that any fast food restaurant that *isn't* doing something to promote its wares is a definite oddity.

In the first quarter of 1979, 58% of all stores were involved in some sort of product or price promotion, according to Restaurant Trends, a New Jersey-based fast food consulting firm. By the first quarter of 1981, 80% of all stores were promoting.

The reasons for the promotion binge: Some sources cite a herd mentality—if one has done it successfully, others follow.

But the recession lies at the heart of the trend.

"The slow-down in store sales" is

1982 fast food media expenditures

Restaurant	Total	Magazines	Newspapers	Network tv	Spot tv	Network radio	Spot radio	Outdoor
Godfather's Pizza	$ 4,171,800				$ 4,063,500		$ 85,000	$ 23,300
Heublein Kentucky Fried Chicken	$ 36,651,500			$20,371,000	15,290,200		459,400	530,900
Burger Chef	$ 7,143,400		$12,500		6,168,400		889,300	85,700
Hardee's	$ 10,729,500				8,378,000		2,059,400	292,000
Dairy Queen	$ 6,619,800				6,377,100		145,500	97,200
Long John Silver's	$ 20,162,500				20,162,300			4,200
McDonald's	$317,922,500			54,129,700	255,222,200	$3,255,400	1,632,400	3,682,800
Pepsico Pizza Hut	$ 24,573,500		47,800	10,103,900	14,006,400		361,800	53,600
Pillsbury Burger King	$ 48,725,700	$149,200	59,500	27,831,800	18,400,200		1,979,300	365,200
Ralston-Purina Jack-in-the-Box	$ 14,683,300				9,800,000		4,878,700	4,600
Royal Crown Arby's	$ 11,538,900		9,600	3,921,200	7,193,000		212,700	202,400
Wendy's	$ 27,531,700		20,100	8,760,700	15,819,500	1,308,200	1,156,500	482,000

Source: Leading National Advertisers

the cause, says Carl DeBiase, president of Restaurant Trends. "The bottom fell out in 1978 and stores hit the panic button. Then, with dropping beef prices, there was a craze in couponing."

As the recession galvanized the competitive atmosphere, chains recognized promotion as a way to draw business from rivals. "The restaurant industry has been flat for three years," explains Arby's senior vp of marketing Larry Krueger, "so any growth that occurs comes from somebody else's business. I'll try to promote my way around them."

Merrill-Lynch's Trainer sees another cause for the promotion binge. As restaurants battled the consumer notion that eating out is more expensive than eating at home, the industry was hard-pressed to keep prices down for some basic items.

Thus, when the price of beef took a tumble a year ago, chains were able to give price promotions on burger products without losing money. "They were giving customers the benefit of these commodity reductions," says Trainer. He maintains that it was safer for the chains to do this "than to make a permanent price reduction." When beef prices go up, he says, promotional activity will go down.

There are three basic types of promotion. Coupons and cents-off deals account for most of the activity. Gifts and premium deals also figure importantly: for example, if you buy a "super-burger," you get three razors free, or if you buy two super-burgers, you get a third one for one cent. The range of combinations is endless. A number of major package good companies have entered into agreements with fast fooders on such events.

A third promotion type is games. This includes scratch-off cards, saver sheets, and puzzles. With each food purchase a portion of the puzzle is supplied, or an additional scratch card is stapled to your burger bag. When the puzzle or saver sheet is completed, a prize is bestowed on the contestant.

Many question the effectiveness of promotion. The purpose is to draw the customer back to the store or to entice him into making additional purchases, but no hard data exists to show whether this actually happens. "McDonald's, in their 'Build a Big Mac' promotion contest, did build customer traffic five percent," says Culp of E.F. Hutton. "It got people into stores, although it's difficult to quantify what impact" this had on sales, he says.

William Welter, Wendy's senior vp, marketing: "Promotion is used to compliment and extend the whole message."

Service enhancement

People don't go to a fast food restaurant these days simply to get fast food, argues an increasing number of industry experts. They go to be entertained and waited on as well. Some chains, like Long John Silver's and Pizza Hut, give limited table service to customers. To create more of a relaxed atmosphere, restaurants are adorned in muted colors and wood tones. Such enhancements are designed to appeal to an adult, 18-34 target audience.

For people who like to eat and *watch*, there are chains that offer video entertainment during a meal, such as Pizza Time Theater and Mark Twain. Indications reveal that these restaurants have thrived on their added attractions.

A third development in the enhancement area are the video arcade shops, where kids can eat and then play Pac-Man. Though these chains have basked in some success, industry observers question their feasibility on a wide-scale because many towns have local ordinances against such combinations.

Menu diversification

Fast food chains noticed some years ago that customers get bored with the regular fare and switch to something else. If their restaurant doesn't offer anything else, they go elsewhere.

Thus, many chains realized that to keep the core business flowing, they would have to offer additional items on the menu.

All chains are heavily involved in new product diversification: Arby's offers a line of deli sandwiches; Jack-in-the-Box has added another sandwich to its Supreme line, and now—like Wendy's—has a salad bar.

McDonald's and Burger King are heavily involved in the trend. Burger King offers a new menu item almost monthly, keeps it for a while and then discards it for something else. Veal is the latest craze. McDonald's gives new products a much longer test period — usually four years — and then slowly rolls them out.

Other factors dictating the new product proliferation include a lessened dependence on a single food commodity like chicken or beef.

New products also allow chains to bolster the ranks of different demographic groups in their marketing targets: For example, kids demonstrate more of an interest in the regular hamburger than adults; the chain with a heavy reliance on burgers risks losing a more adult crowd.

Indeed, some fast food restaurants *without* hamburgers have thrived. Long John Silver's, Red Lobster and Captain D's specialize in fish menus; Pizza Hut and Godfather's in pizza. *Restaurant Business*, an industry trade book, estimates that from 1976 to 1981, chains specializing in chicken, pizza, seafood, steak and Mexican cuisine experienced the most growth in sales volume.

Media

With a few minor exceptions, fast fooders rarely differentiate their target audience (although some chains have restructured to appeal to a more adult group). Television serves as the focal point for virtually every campaign.

Leading National Advertisers shows that most dollars were spent on a local basis. Expenditures in 1980 ballooned from $460,157,000 to $711,488,000.

Spot tv saw similar enthusiasm on behalf of the fast fooders: 1981 expenditures of $510,294,000 represented a 81% growth over 1980.

Newspapers likewise benefited mightily from fast fooders' heightened awareness of the benefits of promotion.

Burger King is undergoing a significant change designed to put some wind in its slackened sails. A new chief operating officer, Norman Brinker, has been appointed, and former marketing chief Jeff Campbell has been upped to the presidency.

A new campaign broke in January that reflects significant changes in the chain's new marketing orientation. To add spice to the cake, an agency change is rumored.

Kyle Craig, senior vp and director of marketing, perceives the sea change as a consolidation of strengths: Brinker's approach, he says, is to stay with "the basics of the business" and Campbell's is to push for product superiority. The new campaign centers on product superiority.

From a media standpoint, Burger King has consolidated its strengths. It did not enter bidding on children's television in the upfront market this year, concentrating its dollars in the adult market instead, says Craig. Because Burger King is heavily outspent by McDonald's in the advertising arena, he explains, it decided to concentrate fire power on the 18 to 49 consumer. This strategy is reflected in spot tv buys: "Most spot tv has gone against the adult market historically," Craig says. Spot dollars are placed "in excess of 50% in fringe and the rest in primetime."

"Aren't you hungry," which broke in January at a level of 250 weekly grp's on net tv, settled in at a weekly level "somewhat lower" than this, he says.

Radio purchases, which accounted significantly in Burger King's 1981 spot expenditures of $30 million (roughly half of overall media expenditures), are made in morning and evening drive time and on evening weekend radio. Again, the primary target is 18 to 49.

Promotion, as for the other fast fooders, was a major part of BK's strategy last year. One promotion called "Easy Street," was "very successful," Craig says. Consumers got a puzzle piece for a board game with each purchase. When the board was completed, cash prizes were given out.

> "**Burger King is undergoing a significant change designed to put some wind in its slackened sails.**"

Says Craig of agency J. Walter Thompson's rumored demise, "I think it's 100% a function of the rumor mill. We're thrilled with the results of 'Aren't you hungry.' Speculation was fueled by our management changes."

Long John Silver's bills itself as a premium fast food restaurant, hence its promotional tag line, "change of place." "We offer a change in both food and atmosphere," say Walter Stumpe, senior vp of marketing. "It's a break in your day. We're warm, friendly — all of those words."

Long John's is something of an anomaly on the fast food scene — few other chain restaurants offer fish as the staple on their menu. The closest competitors are Captain D's, mostly based in the South, and Arthur Treacher's, which has fallen on hard times.

Long John's 335 stores are 60% company owned. The company is anchored mainly in the Southeast and Midwest with a negligible presence in the North and major metropolitan areas. (Dallas, an exception, has 60 stores).

Advertising strategy is two-pronged: spots alternate between a corporate message which speaks of Long John's cozy New England atmosphere and food "that will put a smile on your face" and product messages.

Media strategy, executed by in-house shop, Abbott, is centered around spot tv. $25 million annual expenditures in all media are heavily slotted to television, with individual markets tailored for radio and some print.

Long John's is banking heavily on a new product that "should make oodles of money" for the chain, says E.F. Hutton vp Michael Culp. The "baked fish" dish has been in test market for a little over a year.

Jack-in-the-Box, Ralston-Purina's chain, has changed its image from a kid's fast food parlor to all-adult cuisine — a sharp departure for the chain whose stores used to look like huge oversized toys dotting the highways of the West.

The face-lift began a year and a half ago when the entire menu was revamped and the basic burger was replaced with the Supreme Sandwich (a sandwich of bacon and cheese and other condiments on a kaiser roll). "Jack-in-the-Box was not in the position to have a two-tier sales strategy like McDonald's," explains Barry Klein, exec vp for the chain's agency Johns, Cohen, Pasqualina. "With the new menu coming in, we decided to concentrate on adults."

Beginning last Fall, Jack-in-the-Box began a head-to-head campaign against majors in the field with spots that flagrantly decried supposedly inferior McDonald's products, hence the prevailing tag line, "there's no comparison." Spots speak of the products that Jack-in-the-Box has — but which McDonald's doesn't.

Spot tv is slated at $14 million annually, with radio coming in a distant second at $1 million. Tv, as with all fast fooders, is most heavily used in markets where the percentage of sales is highest — in this chain's case, Los Angeles, San Diego, Seattle, Dallas, Houston, San Francisco, Phoenix and Honolulu.

Radio is used as a frequency vehicle against upscale males. Programing "is all over the lot," says Klein.

Promotion is used as a sampling vehicle for new products but, says Klein, "Jack-in-the-Box probably does considerably less than the competition because it's very successful with new products."

Godfather's, a 750-store chain based in the Midwest, is slowly but surely muscling in on industry leader Pizza Hut's territory. Both are primed to go head-to-head in the lunch market with a small, quickly prepared pizza. But Godfather's, which started up in 1973, still has a way to go before catching Pizza Hut with over 1700 stores.

Because Godfather's is in the process of filing as a public company with the SEC, executive director of marketing Tim McMahon was unable to grant an interview.

However, these salient features stand out in this chain's exemplary growth: media expenditures in 1982 are estimated at $18 million — 1981 expenditures according to LNA were just over $4 million. The National Restaurant Association reports that 1981 sales were $225 million in contrast with 1980 sales of $194 million, according to published figures.

Bozell & Jacobs, Omaha, designs the company's advertising and promotion. One promotion was dubbed the "Numbers racket" — a scratch card game which was supported by spot tv, radio, and newspaper.

McDonald's latest entry on the fast food circuit is the McRib sandwich, an all pork sandwich on a seeded roll. Analysts say this may be one of the giant's most popular entries since the Big Mac. This is happy news for McDonald's, which recently suffered two unsuccessful new product entries — the McFeast sandwich and a chopped beef steak sandwich.

Ever anxious to develop a viable chicken product, McDonald's rolled out McNuggets to a great deal of promotional and media fanfare. Minor setbacks, though, have failed to slacken this company's penchant for growth. Sales for 1981 were over $7 billion, according to the NRA.

McDonald's spends roughly 50% of its marketing budget on promotions: this includes the $10 million price tag on the successful "Build a Big Mac" campaign and the $20 million "Quality in the bag" game. Another $20 million went into the glass-givaway contest built around the movie, "The Great Muppet Caper."

Wendy's, home of the "hot and juicy," broke a new campaign entitled "Wendy's kind of people" last month. Its central theme: the burgers you get at Wendy's are better than those available from the competition, according to senior vp, marketing, Bill Welter. The burgers, the ads emphasize, are made from fresh meat and according to customers' specifications. Says Welter, Wendy's kind of people are looking for value and are discriminating customers. "They grew up with McDonald's and Burger King" and are heavy fast food users, he notes, but are now more discriminating in their fast food selection.

Wendy's strategy is centered around adults 18 to 49 with special emphasis placed on 30 to 35 year olds.

Wendy's is delegating $15 million of its $70 million media budget to high-rated network tv specials. The objective is to kick off six-to eight-week flights dramatically. Programing is adult skewed (the *All Star Game,* for example, will lead off the new campaign).

The remainder of the budget will be heavily slated towards spot tv, especially in markets where Wendy's sales perform well against the major competition — the South and Midwest. In these markets 200 to 300 grp's will be purchased weekly, 60% in primetime and the remainder in fringe. During the "network thrust periods", an additional 150 grps are contributed by the net tv purchases, according to Welter.

Non-broadcast expenditures carve only 5% out of the total budget. This is divided between rop, coupons, and outdoor.

Kentucky Fried Chicken, the nation's premier purveyor of fast chicken, is now in the second year of its "We do chicken right" campaign.

More from Maine...

BANGOR NEWS NET UNDUPLICATED AUD. 167,000

PRESS HERALD/EXPRESS NET UNDUPLICATED AUD 160,800

Less from your ad budget.

BANGOR NEWS CPM REACH $6.35

PORTLAND PRESS HERALD/EXPRESS CPM REACH $6.78

THE BETTER BUY IS BANGOR

BANGOR DAILY NEWS

NORTHERN NEW ENGLAND'S LARGEST DAILY NEWSPAPER

Source: AUDIT REPORTS, SEPT. 30, 1981, TELMAR MEDIA CALCULATOR, 1982, SMRB, 1981, SRDS, 1981

There is more to Georgia than Atlanta...the

GEORGIA GROUP

THE NATION'S #1 NEWSPAPER GROUP BUY

Population . . . 1,290,000
Georgia Group Populaton would rank 31st In The Nation
100% More People Than Charlotte

Total Retail Sales . . . $5,226,100,000
Georgia Group Retail Sales would rank 34th In The Nation
82% More Retail Sales Than Charlotte

ALBANY HERALD
ATHENS NEWS BANNER-HERALD
AUGUSTA CHRONICLE-HERALD
COLUMBUS LEDGER-ENQUIRER
MACON TELEGRAPH-NEWS
SAVANNAH NEWS-PRESS

No changes are imminent, according to a company spokesman. An awareness study indicates that 58% of all customers associate the ads with KFC, the highest advertising awareness profile in the company's history. Young & Rubicam is the agency behind this success story.

KFC continues to position itself in the adult market. 60% of all ad weight is targeted against women, 24 to 49. This balance explains that chain's heavy presence in daytime tv — $20.4 million was slated for net tv in 1981. KFC's media experts believe women are the primary decision makers when planning a fast food outing.

Arby's advertising is designed "to emphasize product quality," according to senior vp-marketing Larry Krueger. "It is designed to build awareness of the product."

Arby's had a lot of awareness building to do in April: It introduced a new line of Deli sandwiches. Tv, radio and promotion were used in the support program.

In new product splurges, spot tv forms the spearhead: a large Arby's market (like Louisville, Kentucky) is bombarded with 600 to 1000 points per week. This is followed by a 200 weekly grp schedule dosage. The network umbrella backs this up with a minimum of 100 to 125 grp's per week.

This plan gives smaller markets, which spend significantly less on spot, sufficient weight. In July Arby's begins a two-network flight ("there's not enough money to spend on three," says Krueger). 1982 expenditures will fall between $5 and 6 million; spot tv is earmarked for less than the 1981 outlay of $7.2 million.

Radio is used to reach teenagers, says Krueger, "who are in the lower quintile of tv viewing." Radio is also used in one of Arby's promotional campaigns. Bumper stickers are distributed in certain markets.

Arby's is a major user of the four-color insert, says Krueger. One insert program was used in a glass give-away promotion. The insert displays the glass and includes a coupon.

Hardee's, a strong force in the East, is going west. It recently purchased the 659-unit chain Burger Chef from General Foods, which has staked its turf in the Midwest.

Hardee's recently began a conversion test in Terre Haute, Indiana in which the BC stores will be changed in name and menu.

The test "will be the basis for all future decisions" in the changeover, says Hardee's senior vp-finance and chief financial officer, Dan Summers. Some of the future decisions will center around menu, store decor, and advertising.

Hardee's will continue to use its three year old "Road Runner" campaign which features "real life" sketches of two characters, says director of field marketing, John Fischer.

There will be a change in the '82 media expenditures, however: Fischer say the $8.4 million spent on spot tv and $2.6 million or radio will be increased "to compensate for a little bit more than inflation."

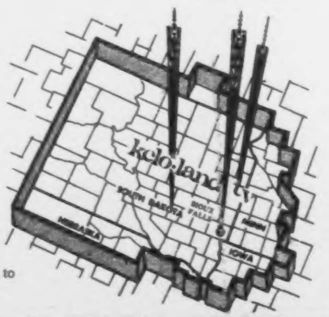
Verne Gay

We're Kelo-land tv. Our ADI No. 1's come in bunches!

In nationwide Arbitron Sweeps!

#1 LATE NEWS (Women 25-54). 61 share.
#1 LATE NEWS (Total Households). 62 share.
#1 EARLY FRINGE (Total Households). 45 share.
#1 TOTAL DAY (Women 25-54). 47 share.
#1 TOTAL DAY (Total Households). 45 share.
#1 LATE NEWS CBS (Total Households). 62 share.
#2 EARLY FRINGE (Women 25-54). 44 Share (tie).

We sweep your message through this 91-county market!



A CBS AFFILIATE

kelo·land tv

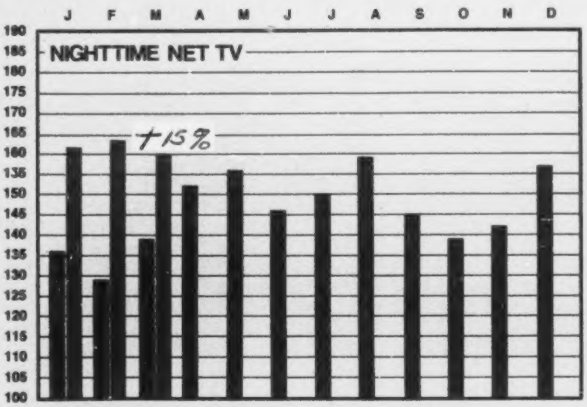
KELO-tv SIOUX FALLS, S.D.
and satellites KDLO-tv, KPLO-tv

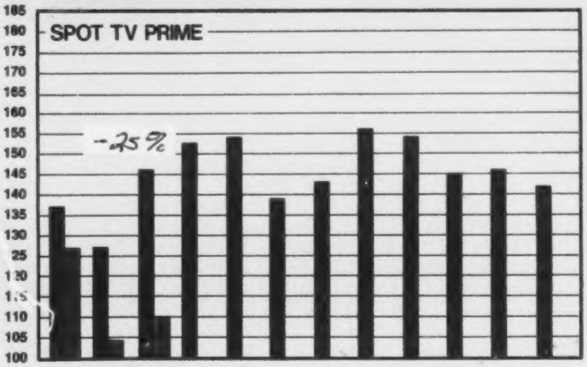
Source: Arbitron Sweeps, May 1982.
Above estimates include all time slots and demographic information in equal facilities markets as analyzed by TV/Radio Age. Survey data estimates subject to usual qualifications.

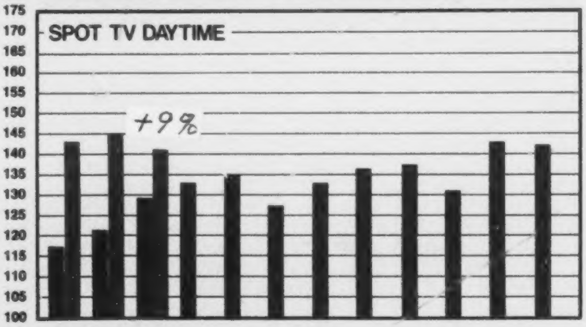
Represented nationally by SELTEL In Minneapolis by WAYNE EVANS

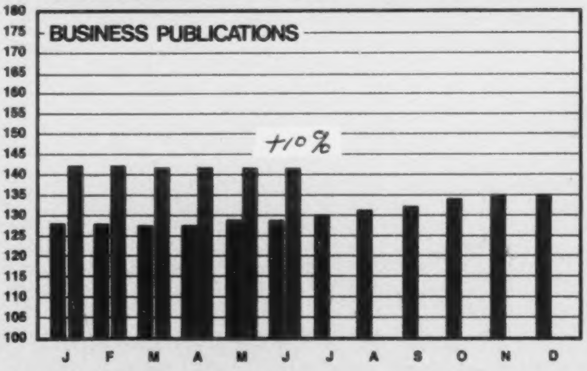
MEDIA COST INDEX

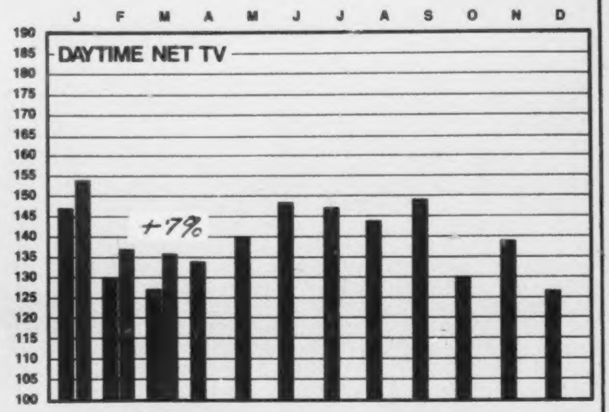
Black bars index for 1981; red bars 1982; base year 1977











The cost of a 30-second spot in network tv primetime continued its upward march, topping out in May at $79,101 on average. That is $18,000 higher than the price of a 30-second spot in January, but $4,000 lower than the high water mark of $83,491 registered in November of last year. The drop between November and January was $22,000.

Network daytime tv edged up slightly to $11,800 from $11,700. Daytime also reached its price zenith in November when it reached $13,929. However, the following month the unit price dipped to $10,330.

The jump in primetime pricing represents a 25% increase over the previous year. But 1981 showed no increase in May over 1980. Between 1979 and 1980, the cost of a 30-second spot in primetime jumped 54%.

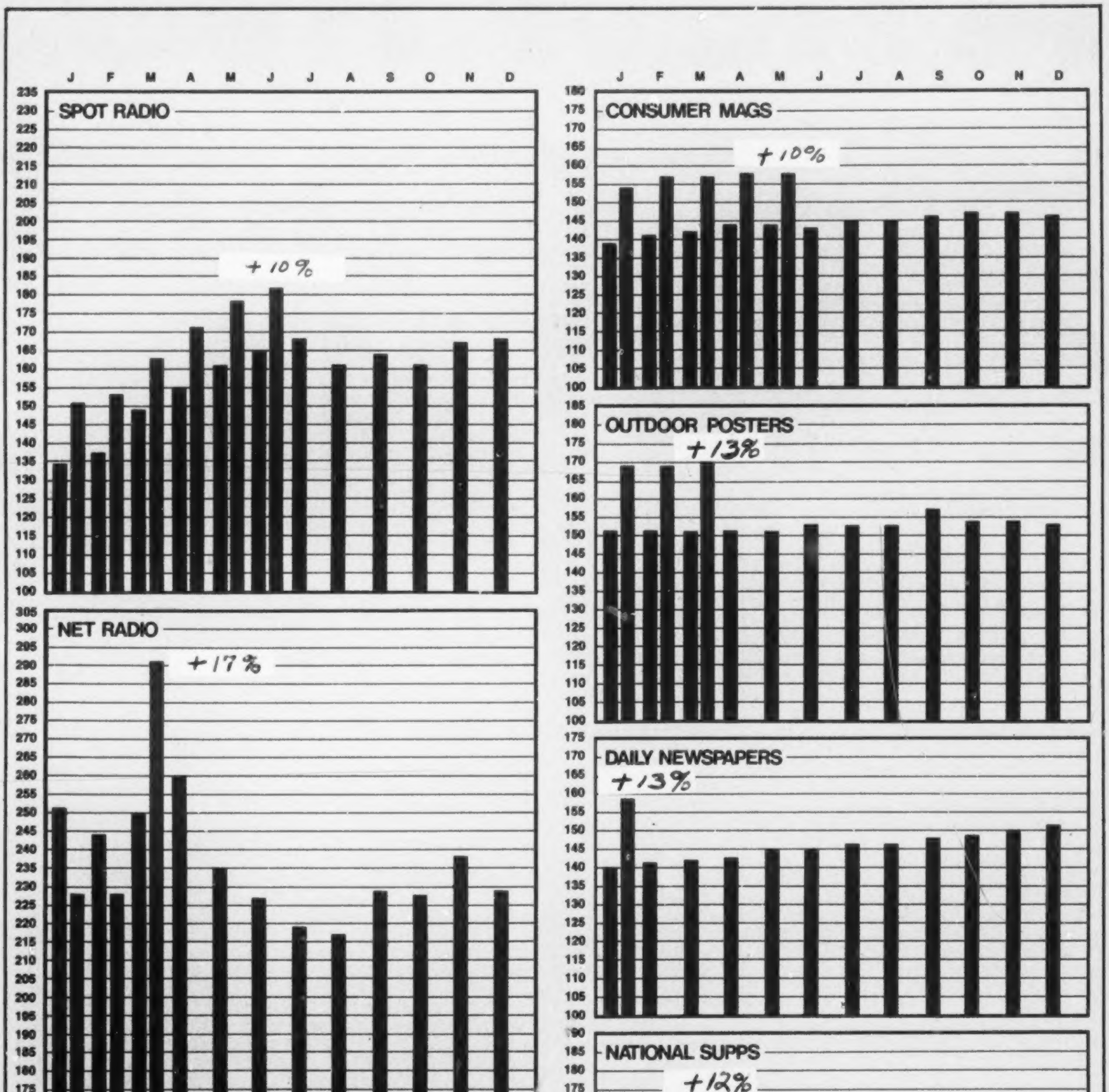
Charles Trubia of Ted Bates notes that in the second quarter the networks were asking an additional 30% in prices, and have been discouraging upfront buying. But after the initial jump in prices, Trubia said that prices have been coming down in later part of the second quarter and early third quarter.

Continued on page 144

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are fur each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

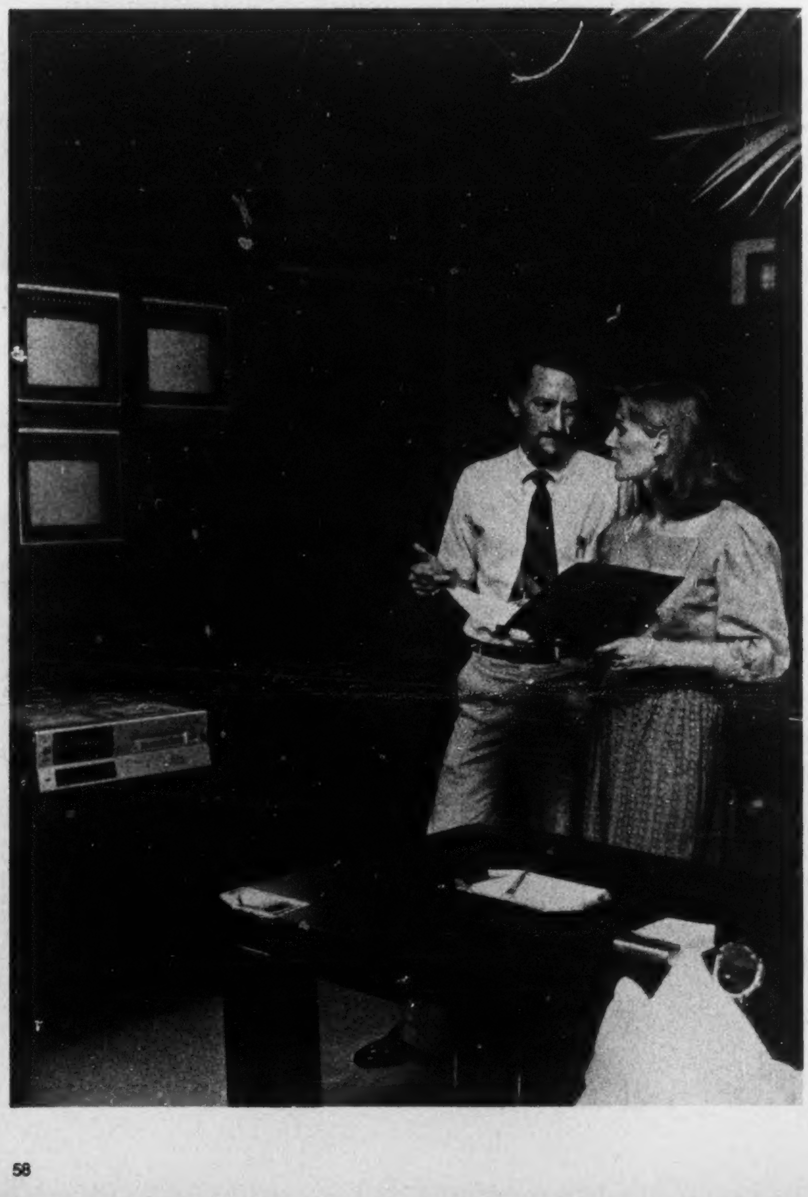
MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



Will advertisers fit in the media room?

As consumers acquire more and increasingly sophisticated video equipment, the home family room is being transformed for a new function: the media room. How will this development affect what people watch, how they watch, and when they watch? Media executives and agency experts are examining the questions, and have some suggestions about how advertisers can respond to the challenge of user-programmed video.



It's a typical evening at home for Ed and Sylvia Walsh.

With dinner finished and clean-up chores complete, they and their two children withdraw to the media room. In times past it would have been the living room, or the family room, even when it contained a television set. But now what was once the family's retreat from the concerns of life has become an electronic haven for escape, entertainment, fun and instruction.

The Walshs' media room is definitely an upscale phenomenon. It represents a substantial financial commitment to complex gadgetry. Included in the electronic array in the softly glowing room are a projection television set, a video tape recorder, video disc player, a television camera, a computer console, a game console, and a library of video tapes, discs and game cartridges. This video complex is as far advanced from the family room 17" portable tv as modern high fidelity components are from the table-top radios of the 1930's.

The Walshs are on the forefront of a consumer revolution in the acquisition and use of video equipment. Although it's 8:30 p.m. and the networks are broadcasting their sitcoms and dramas, the Walsh family is watching a Marx Brothers movie tape. When the nine year old son and 11 year old daughter tire of the movie, they have a recently acquired space game cartridge they still haven't mastered. And when they are packed off to bed, Ed wants to balance his check book with the home computer.

Sylvia heads for the kitchen, where she makes a cup of tea, taking a quick look at the 9" black and white portable tv on the sink counter. *Barney Miller* fails to catch her attention.

Like many others in the U.S., the family has taken the step that makes video equipment multi-purpose rather than just for the reception of whatever programing the broadcast stations are putting on the air. People who purchased hi-fi moved from radio into sound. People who buy the new electronic video equipment are moving from television into viewing. They have become their own programers.

The media room is not yet a mass phenomenon. Most of the video components are high-end purchases. Projection television sets cost well over $2,000. Laser video disc players cost over $600. Video tape recorders run from $600 and up.

But marketers of high-end video equipment are thinking in terms of a larger consumer market. Pioneer, of Japan, introduced two video consoles to the U.S. market in June. The more expensive of the two, at $3,000, includes a 25" high-resolution tv monitor, equipment rack, video tuner, video disc player, video tape recorder, a 50 watt-per-channel audio amplifier, a 127-channel, cable-ready video tuner with remote control, and a pair of three way speakers. The same system with a 19" color tv monitor with lower resolution is priced at $2,350.

Many shopping malls now feature high-end video shops where various arrangements of video equipment can be seen in a video room style setting. With projection tv added to the other hardware, the consumer retail price for latest and best in video hardware could run to over $6,000.

The implications of the media room are not being ignored by the telecommunications giants of U.S. industry. In a recent speech to the Computer Dealers and Leasors Association, J. Roger Moody, vp-development, CBS, acknowledged that "the television set is becoming the equivalent of a special interest magazine rack of the air. It means that the usage of television sets will go up even more, and that more sets will be sold and used for different purposes.

"And we have arising for the first time the whole concept of component television and the total home media environment."

What kind of people are likely to invest in their electronic interests and create a video room in their homes? That audience has been examined by Eleanor Holzman, executive vp and director of research services at McCann-Erickson. In her analysis of the video market, she found three psychographically defined types: the video sophisticate, the cautious shopper and the delayed prospects. Video sophisticates are the most likely candidates to invest in a video room.

"Demographically, there tend to be more men and more very high income people in this segment," she found. "Psychographically, they are very interested in new video developments; they are knowledgable about equipment and brands; they feel they can deal with complex equipment, and they have very high performance requirements.

"Although they don't necessarily spend more time watching television, it is important to them and this is reflected in a higher incidence of cable penetration. They also spend more time going to movies than the balance of the population.

"The segment likes prestigious possessions and owns more of all types of equipment, expecially audio/video equipment.

"Perhaps more important from a marketing point of view, they have very little patience with delayed gratification. In fact, they tell us that they typically buy things they want as soon as they see them."

There is also a possible market among the delayed prospect segment, she finds. "These people are interested in new video systems, particularly in video cassette recorders. Television is important to them, and they want sets with some of the more advanced features.

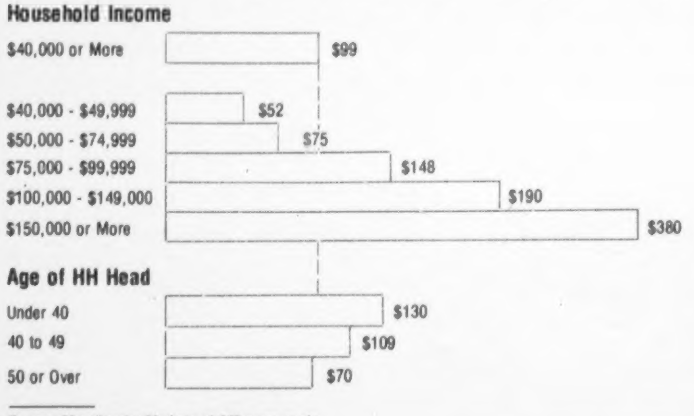
"However, they feel less comfortable than the sophisticated videophiles with complicated equipment and they aren't sure they can make good judgments without assistance from others. They tend to delay purchase in a new category until they feel the 'bugs' have been ironed out," she found.

A variety of views of the media room concept come from the advertising media community. Dave Martin, senior vp, broadcast buying at Campbell Ewald, Detroit, suggests that advertisers must become involved in subsidizing program content as video fragmentation continues. He also proposes that rent/lease arrangements for the new high-tech video equipment may be the best way to develop that market.

In the scenario Martin envisions,

Continued on page 99

Video cassette player/recorder expenditures per household in past year



Source: Mendlesohn Markets of Affluence study

MEDIA ROOM

(from 59)

"for the video room, there will be more leasors than purchasers. With that development, manufacturers will find a profit source in developing programing."

The initial market for media room installations, Martin thinks, would be between 100,000 and 200,000 in the first year. The people who would lease video room equipment, Martin says, would be those who psychographic researchers call "the innovators."

That leased equipment would be replaced by more up-to-date hardware, and probably resold through audio/video stores to the less affluent people interested in creating video rooms.

But what effect will this have on the advertiser? Martin believes that the accumulation of more sophisticated video equipment moves consumers from a passive to a selective position. "People will eliminate from the television menu things they don't like. They won't even sample them. Consequently, advertisers must be much more selective in the programing they choose. Advertisers must become much more selective in finding ways to reach these people."

Martin suggests that advertisers will subsidize programing for individual household viewing by providing lower cost discs or tapes with appropriate commercials in or around the program material.

But fascinating as the hardware is to the gadget lovers, Martin believes it will become invisible. "The key here is what you can see with it," he said.

Beverly O'Malley, vp-associate media director at Dancer Fitzgerald Sample, and the agency's cable expert, takes a positive view of the probable effects of the media room on video viewing. While fragmenting audiences generally, she believes the media room will reunite the viewing behavior of the family.

"The implication is that the media room will put television back into one room, and diminish multiple set use. That would have the effect of recentralizing family viewing."

Sophisticated electronic equipment will be exciting and "perhaps more involving for a while, but we'll get used to that," she says. "The old console radio of the 1930's was no less impactful and involving. The fact is that we have become video junkies, and we take the equipment as a matter of course."

As for the many viewing options that are opening up, O'Malley says, "There's no question that the multichannel options that are becoming increasingly available to viewers are the largest challenge for us today. Increased view control over programing is certain to change viewer attitudes and tolerance. Advertisers must find new ways of getting their message across. There is more programing, but there will still be people who do their ironing during intermission.

"Viewers will become more difficult to please because of the greater number of program options. We must see just what is happening in multichannel households."

As a consequence of multi-channel viewing, O'Malley suggests that the traditional scatter plan buy may no longer do the job. On the other hand, with targeted programing, "The viewer is more involved, and that in itself is a greater advertiser opportunity."

On the other side of the multichannel viewing coin, O'Malley is surprised by the network's continuance of the six-month season and use of program blocks. "Why do they continue to run six months of reruns? I see no signs of changes at the networks to combat the seasonality edge that cable now has."

At Ted Bates, Dr. Larry Light, executive vp-client services, sees the media room fitting into what he calls, "the time shifting effect." It also appeals to the adults of the 1980's, who he types as "the sensation generation." "The owner will become an electronic god in that room," he suggests.

Greater electronic stimulation has a strong appeal to the "sensation generation," he believes. "What we seem to be looking for now is a desire for stimulation from the outside in, rather than what was true in the 1970's, which was an era of feelings from the inside out. Of course, we need both.

"We need more physical participation with the environment, and we have a similar need at home. We want the environment to touch us. A media room allows us to control the environment and not just observe it. That will be a different experience in itself."

Another key factor affecting the use of the media room, Light indicates, is time shifting, in conjunction with flexible life styles. He likens the future network role to that of the supermarket. "The neworks will become the home program pantry. Cable has enormous potential for that. People can tape and watch programing in any order they wish."

But the media room won't necessarily reunite family viewing habits. "Just because a home has one kitchen doesn't mean the whole family sits down to eat together. And they won't necessarily all sit down to watch together in a media room. The trend is toward flexibility."

Light sees the probability of media rooms becoming a reality in apartments rather than houses, which have more space. "I have much of that equipment myself, but it's spread over several rooms. Where space is limited, it makes lots of sense to have it in a media room," he says.

Alec Gerster, senior vp-director of media and programing at Grey Advertising, is more concerned about what room the equipment is in and in what combinations. "If all people are doing with their vtr's is time-shift viewing, that's fine. But if they're into the fast forward mode on commercials or editing them out of tapes, then I'm concerned.

"On the other hand, if people are using them to make and play back home movies, then also, I'm not concerned. I'm more worried about the use of individual machines than about the media room, per se," Gerster explains.

Another point that Gerster ponders is the price of tv cameras. He suggest that if the price comes down, and quarter-inch video tape becomes available in vtr formats, home movie making via the video tape recorder could expand. "People will start taping things. They won't have to wait for film to be processed before seeing what they got. The results are immediate and quite striking. There are a lot of other possible uses for a vtr than watching television," he points out.

On the other hand, Gerster sees limited potential for video disc. "I'm pessimistic about the disc player. I don't think there are enough people who are just interested in playing back pre-recorded material."

Arnie Semsky, senior vp-director of media and network programing services at BBDO, believes the media room is a most likely development. "The media room will become part of the American scene," he says, "eventually replacing the living room and family room in most homes."

But in addition to the media room central, he envisions smaller video groupings in other areas of the home, most likely the bedroom and kitchen. "There will be the centralized and satellite versions in most homes," he believes.

Semsky also expects the media room to be built into many new homes, just as the microwave oven and dishwasher are now built right into kitchens. "Of course we're talking about a way down the road, but people are going for more functional houses."

The video room will give advertisers the chance once again to reach the family all at once. "But it's going to be hard for the advertiser to stay on top," he says, with the multiple uses for video that have emerged.

"It's up to us to map new strategies in media, to mix media and do a good job in each medium." To a large extent, Semsky believes the success or failure of advertising will be tied to program content. "It will be a function of programing. People don't care how they get their programing. They just care about what it is," he said.

Bill Donnelly, senior vp and director of resource management at Young & Rubicam, sees the media room sounding the death knell for what he calls "least objectionable programing." But he doesn't think the primary issue is the media room itself, but rather the options it provides.

Donnelly says that even middle class people will have one of two options with video equipment; they will have random access information systems utilizing teletex and other accessing technology, or a fickel access entertainment system, if not both. "That's the issue," he insists.

"The viewer will have either 50 video discs or a number of cable channels or video tapes. You will be able to learn what you want when you want, or be entertained as you want.

"This will raise hell for advertisers and marketers. As I see it, you have two alternative scenarios. This will all happen in the next 10 years, — and it will go too fast for us to be able to absorb — or it will happen in 15, which would give us just enough time to absorb it."

But the video room doesn't necessarily mean the demise of the networks. He notes that some network programs do better in a cable households than non-cable households, and some do worse. But, he warns, "If the networks continue to do business as usual, they will get clobbered."

In households with video tape recorders, Donnelly notes from research, that only 20% of viewing time is devoted to pre-recorded material. Of the other 80% of vtr time, primary use is for taping movies, and the second most popular use is taping network programing. "Clearly, America loves the product," he says of network programing. Those who believe that the country is disenchanted with television programing, are misreading America."

"The networks have demonstrated their ability to respond to the desires of the audience," Donnelly adds, noting how programing has changed over the years to reflect public tastes and desires. Cable households tend to treat the networks as cable channels, with higher selectivity, but he declares that the end is at hand for "least offensive programing."

In response to the eroding network share created by alternative viewing choices, Donnelly advises, "We, as advertising planners, can deal with the erosion of a few share points. But how do we get the consumer's attention for programing in a consistent manner? How do we deal with the explosion of choices that cross a media planner's desk? What kind of choices must be made?"

Fred Gardner

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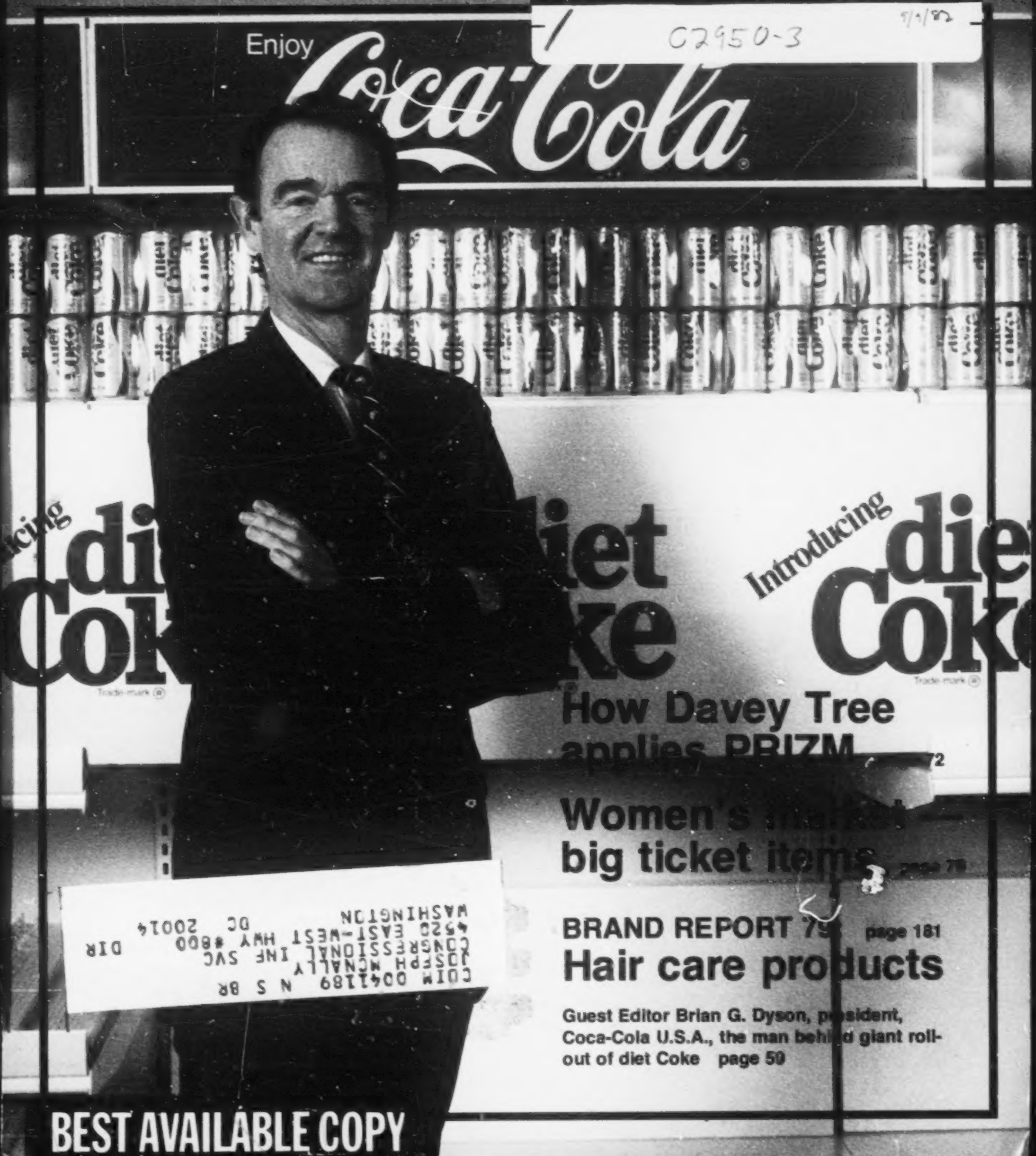
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How Davey Tree applies PRIZM page 72

Women's [illegible] — big ticket items page 78

BRAND REPORT 79 page 181

Hair care products

Guest Editor Brian G. Dyson, president, Coca-Cola U.S.A., the man behind giant roll-out of diet Coke page 59

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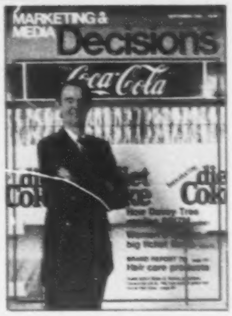

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FUTURES

Consumer electronics to show new expansion

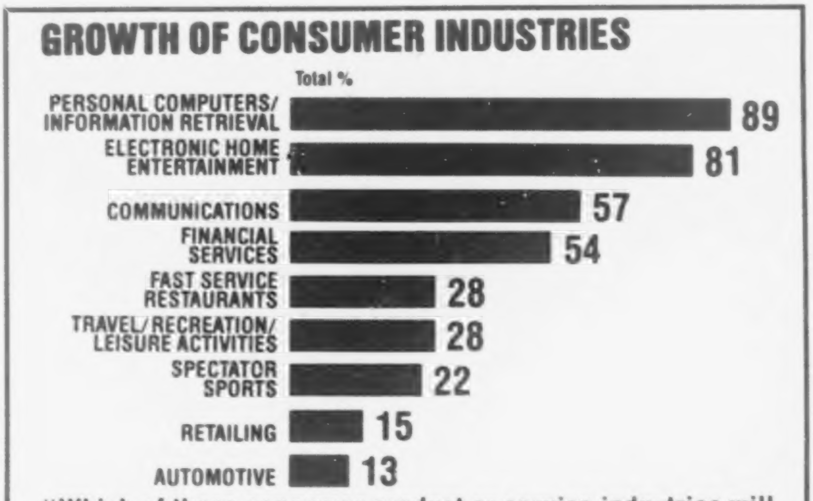
More disposable income and a continued growing interest in home computers will be the big factors in the U.S. economy in the next five years, according to a survey of the 43,000 members of the American Marketing Association.

Joseph H. Rabin, immediate past president of the AMA, who oversaw the survey, said, "Two trends that cut across the various categories we explored are very apparent and should be monitored closely by U.S. business in the coming years. One has to do with the increasing importance of products and services which can be used in the home.

"We asked our members to predict which of nine consumer industries would register increased real dollar sales in the next 12 months. The top four — personal computers, electronic home equipment, communications and financial service — are all mostly home oriented. The bottom three, on the other hand, automotive, retailing and spectator sports, are out-of-home oriented. Clearly, there is a trend here worth watching.

"The other trend has to do with newness and innovation. Of those four top-rated consumer categories, all are new or greatly changed from what they traditionally had been while the bottom three can be considered traditional industries."

The survey was undertaken, Rabin said, "both to add to consumer understanding of business trends directly affecting them and to add an important voice to the discussions within the business community about the important issues that they are now being called upon to face. Responding correctly to them spells the difference between success and failure."



"Which of these consumer product or service industries will exhibit real dollar sales growth over the next 12 months?"

© 1982 American Marketing Association

Sony enters the videotex field

Sony voted for the future of videotex and teletex when it announced a series of products aimed entirely at the teletext user. According to Kenji Tamiya, president of Sony Corporation of America, "Sony recognizes the significance of the rapidly growing videotex/teletext industry and its potential impact on information delivery.

"We know that Sony's Trinitron technology meets the important requirement for accurate display of computer generated videotex/teletext characters and graphics. Sony has considerable experience in this field through our involvement with viewdata and teletext in the United Kingdom since 1979. Therefore, we are confident that we can supply appropriate and attractive equipment for this field in the U.S. market."

Sony's teletext equipment includes an eight inch fine pitch monitor, a 12" fine pitch monitor, and 19" and 25" monitors from the Profeel line. All four models are equipped with analog and digital RGB inputs in order to accomodate the versatile demands for signal display. Sony is also showing two black and white hard copy printers and technical sample of a color printer.

Consumers want more product information

Apparently advertising isn't giving consumers enough product information, a study commissioned by the General Electric Company, has disclosed. Ninety four percent of those surveyed want more information about the products they buy. While 83% of the public recognizes an increase in the quality of information, 70% of them find it too confusing. Sixty percent also feel that manufacturers supply a lot of useless information. As a result of these finding, GE decided to inaugurate the GE Answer Center, an 800 number consumer information service.

Paul Van Orden, executive vice president and head of GE's consumer products business says: "Our objective in developing these new service pro-

Chocolate marketers fatten sales with bigger bars

A chocolatier's tribute to almond lovers everywhere.
Whole toasted almonds crowded into thick milk chocolate.
HERSHEY'S
GOLDEN ALMOND
Milk Chocolate with Fresh Toasted Whole Almonds

As per capita candy consumption continues to decline, candy makers attempt to fatten sales with bigger bars. Longtime non-advertiser Hershey increased 1981 ad budget by 56% while number one candy bar maker M&M/Mars decreased ad totals by 16%.

When M&M/Mars increased the weight of its best selling candy bars — but not the price — most of the company's competitors thought it was making a terrible mistake.

Per capita candy consumption was at an all time low and the inflation rate was spiralling. To give away a free lunch seemed like a quick route to disaster.

Instead of following the weight standard set by Mars in late 1980, candy competitors stood by and waited — counting the days until Mars increased its prices.

But Mars didn't increase its prices, at least not for a while. In the meantime, the company increased its sales by 50% and changed traditional weight and pricing standards once thought to be carved in stone.

According to one industry source, the price of a candy bar was once a very sensitive issue. A nickel increase sparked a rash of editorials and news reports in nearly every major market.

To justify price increases, candy manufacturers did some tricky maneuvering with the weight of their bars.

According to Louis J. Lassus, editor of *Candy Marketer Quarterly*, the price/weight — decrease/increase game used to be common practice. Before raising prices, candy makers would gradually decrease the weights of their bars, only to increase them and jack up the prices at the same time.

Mars's new strategy nearly caused a revolution in the candy bar industry.

To spread the word to consumers about its expanded bars, Mars placed full page newspaper ads in every major market in the country: $2.5 million in 1980 and $194,186 in 1981. The company also had significant expenditures (according to Leading National Advertisers) in network tv in 1980 ($27.9 million) and 1981 ($23.6 million). Spot tv amounted to $22.3 million in 1980 and $18.8 million in 1981. The company also benefited from a good deal of favorable editorial coverage.

Convinced they were getting a better buy for their money, consumers started

◀ **Classy magazine ads** for Golden Almond ads like this are targeted at upscale consumers.

buying more Mars bars than ever before.

And when the number one candy bar maker finally did raise its prices, in September '81, hardly anyone noticed.

Why the price of a candy bar isn't as sensitive an issue today as it was ten year ago is due to the present state of the U.S. economy, notes one industry observer. The reasoning goes like this: with the rate of inflation constantly increasing, people are getting used to day-to-day price hikes. In fact, paying more today than yesterday is almost a matter of habit.

While Mars's sales were sky rocketing, most of the company's doubtful competitors were still refusing to position themselves in the weight and price increase race.

Says Lassus, "It took a major move on the part of the retailers to finally convince other candy makers to follow Mars." He explains, "When Mars was the only company to raise its prices this left retailers with a two-tiered pricing system. Most of the candy bars were 25 cents, while Mars was 30 cents."

To make life less complicated, instead of charging a nickel more for Mars bars, retailers took the liberty of charging a nickel more for all their candy bars. And they made out like bandits by pocketing the 5 cents profit made on the lower priced, lighter bars.

When manufacturers finally got wise to this tactic, they followed Mars by raising their candy bar weights and prices.

The only company that took a while longer to make the price/weight move was Hershey Foods. According to one source, although the number two candy bar maker may have been losing money on its standard-sized bars by not going along with the rest of the candy industry, Hershey's large-sized chocolate bar, Big Block, was doing so well that it hardly mattered.

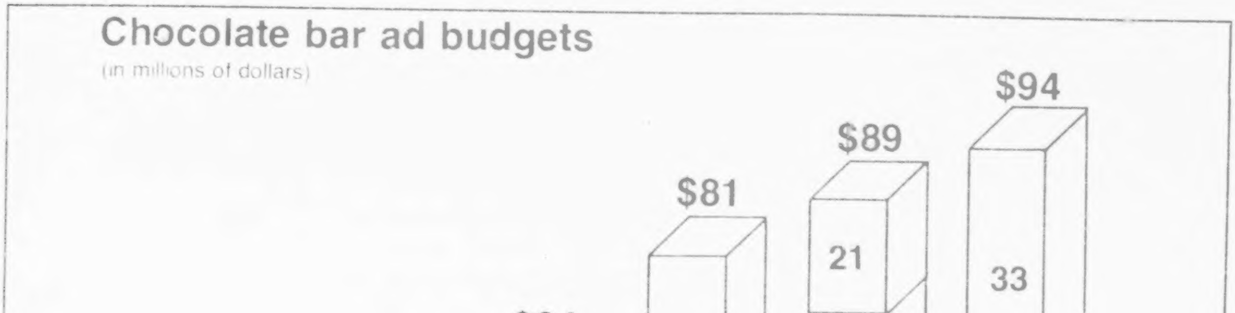
According to a spokesperson at Hershey, the Big Block was introduced in January of 1980, nearly a year before Mars increased the size of its bars. However, the marketing strategy for this product was somewhat different.

Weighing 2.0 oz., the long, slender, thick chocolate bar was initially priced at 50 cents while most 1.05 oz. bars sold for 25 cents.

The Big Block was derived from another thick chocolate bar by Hershey called Golden Almond.

Similar in size to the Big Block, Golden Almond is wrapped in gold foil, contains whole almonds and sells

Continued on page 114



Chocolate bar ad budgets

(in millions of dollars)

Sources: LNA BAR, Media Records, RER

CHOCOLATE FATTENING (from 65)

Chocolate bar eight-media totals

	1981	1980	1979	1978	1977
Hershey's	$32,998,000	$21,197,000	$18,468,000	$14,077,000	$11,811,000
M&M/MARS	42,419,000	50,752,000	41,275,000	32,371,000	22,414,000
Cadbury Peter Paul	11,206,000	11,843,000	10,029,000	8,426,000	9,460,000
Nestle	8,078,000	5,276,000	10,858,000	8,752,000	7,090,000
Total	$94,701,000	$89,068,000	$80,630,000	$63,626,000	$50,775,000

Sources: LNA/BAR; Media Records; RER

for $1.25. When Golden Almond was first brought out in September, 1977, retailers didn't think it would sell. But it did.

Although Hershey remains fairly tight-lipped about its marketing strategy, one industry spokesperson thinks the Big Block resulted from this type of reasoning: If people are willing to pay $1.25 for a fancy looking, thick chocolate bar with whole almonds, why not 50 cents for a thick chocolate bar that comes in all the standard bar lines.

Enter the Big Block. Says Susan Graham, manager of public information for Hershey, "There's a segment of the market that prefers thick chocolate. Some people think it has a different taste than thinner chocolate." They also feel they're getting more value for their money with a thick chocolate bar.

The target audience for the Big Block is adults, mainly because it's more expensive than standard-sized bars. However the Big Block is also popular with teenagers.

To reach both groups, the Big Block is advertised on network tv during primetime. Print support includes ads in trade publications such as *Convenience Store News, Convenience Store Merchandiser, United States Tobacco Journal* and *National Candy Wholesaler*.

Golden Almond Bars, geared to a more upscale audience, are advertised in publications such as *Time, Newsweek,* and *National Geographic*.

According to *Media Records*, Hershey spent $1.2 million in 1981 in newspapers compared with $264,316 in 1980. Expenditures in network tv were $25.2 million in 1981 and $16.2 in 1980. Spot tv totaled $4.3 million in 1981 and $4.7 million in 1980. The company's eight media advertising total in 1981, $33 million, reflects a 56% increase our 1980. (Figures compiled by Leading National Advertisers.)

Other manufacturers, well aware of Hershey's success with its thicker chocolate bars, are developing their own versions of the Big Block.

Cadbury Thick, a 1.85 oz. thick chocolate bar was introduced in February of this year.

Notes Patrick Knisley, account executive at Young and Rubicam, the Cadbury Thick bar has greatly expanded Cadbury's target audience.

"Before its introduction," he explains, "the only bar Cadbury produced was the large family size." The reason Cadbury never came out with a standard-size thin bar is due to an in-

1980 and 1981 chocolate bar ad budgets

	8-media tot	Magazines	Newspapers & Supps	Net tv	Spot tv	Net radio	Spot radio
Hershey							
1981	$32,998,000	$536,000	$1,233,000	$25,241,000	$ 4,320,000	$ 680,000	$664,000
1980	21,197,000	—	264,000	16,170,000	4,721,000	—	773,000
M&M/Mars							
1981	42,419,000	11,000	194,000	23,577,000	18,831,000	—	96,000
1980	50,752,000	154,000	2,528,000	27,902,000	22,258,000	207,000	514,000
Cadbury Peter Paul							
1981	11,206,000	—	273,000	6,739,000	4,466,000	—	42,000
1980	11,843,000	99,000	69,000	7,130,000	4,613,000	—	17,000
Nestle							
1981	8,078,000	—	422,000	3,822,000	2,238,000	2,019,000	433,000
1980	5,276,000	—	307,000	2,654,000	2,216,000	407,000	171,000

Sources: LNA/BAR; Media Records; RER.

ternational marketing standard the British company, Cadbury Schweppes, refuses to change.

The marketing standard restricts the consistency of Cadbury's chocolate to a certain thickness. The company firmly believes that one of the secrets behind Cadbury's good taste is related to the thickness of the chocolate.

Cadbury Thick is advertised on network tv during primetime, daytime and early fringe. To reach supermarket buyers, primarily women, Cadbury also advertises in magazines such as *Good Housekeeping, Ladies' Home Journal, Redbook* and others.

According to Knisley, family size Cadbury bars have been traditionally sold in supermarkets. The target audience for Cadbury Thick is more expansive and includes adults as well as teenagers, so the company is looking to distribute it in mass merchandising drug store chains as well as mom and pop stores. Most likely, media plans will extend beyond supermarket buyers if Cadbury is able to distribute successfully to other outlets.

In addition to Cadbury, The Nestle Company will be coming out with a thick chocolate bar later on this year.

One of the reasons candy manufacturers can afford to be so generous with their chocolate, observes Arthur Stevenson, commodity analyst for Shearson/American Express, is due to a current worldwide cocoa glut. Cocoa prices have not been as low as they are today in years.

The key question in most industry watchers' minds is: Will increased candy bar sizes equal increased sales?

Although the jury is still out, Stevenson's view is not exactly optimistic. He says, "People in the U.S. and elsewhere are more health and diet conscious than ever before. As a result, they're eating less confectionary products. And I think this trend will continue."

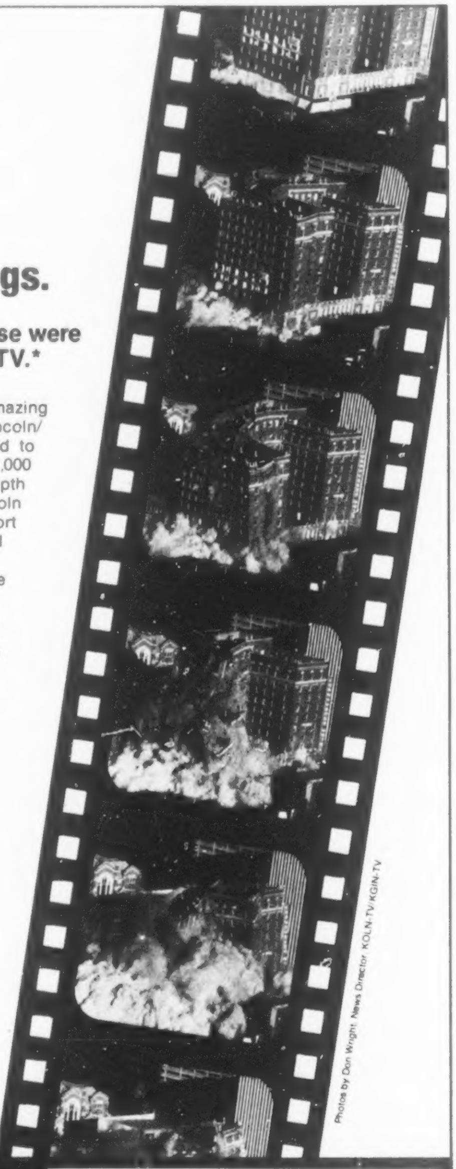
The U.S. Department of Commerce's figures on per capita consumption of confectionary products further support Stevenson's gloomy predictions for the candy industry. While per capita consumption of confectionary products was 19.9 lbs. in 1970, it has been slowly declining. In 1981, preliminary data on confection consumption reveals a drop to 16.5 lbs per capita.

To circumvent the health issue, some advertisers are playing up the better value of their larger bars. Others are calling attention to more nutritious ingredients — deflecting attention from chocolate and sugar.

Will the trend toward staying fit and eating healthy foods continue to gnaw away at confectionary sales? The people at Hershey don't think so. Says one spokesperson, "We feel that people are recognizing the need for at least one sweet a day; if they stick to a healthy, well balanced diet, there's no reason why they can't afford it."

Madeleine Dreyfack

> **“To circumvent the health issue, some advertisers are playing up the better value of larger bars.”**



The event was phenomenal. So were the ratings.

84% of all the TV sets in use were tuned to KOLN-TV/KGIN-TV.*

On the morning of February 21, an amazing 84% of all the TV sets in use in the Lincoln/Hastings/Kearney market were tuned to KOLN-TV/KGIN-TV. More than 171,000 people chose the station for its in-depth coverage of the implosion of the Lincoln landmark in a special live news report entitled, "The Cornhusker Hotel—End of an Era."*

Adults in this $2.4 billion market have come to depend on KOLN-TV/KGIN-TV for its professionalism in reporting special events as well as the everyday news that affects them. In fact, KOLN-TV/KGIN-TV ranks second in the nation among the top five CBS affiliates in Late News Share of ADI homes. And its sign-on to sign-off share is more than that of its two closest competitors combined.**

For all the news about KOLN-TV/KGIN-TV, call your Avery-Knodel representative today.

* Arbitron, February 1982
**TV/Radio Age and Arbitron, May 1981

Photos by Don Wright, News Director, KOLN-TV/KGIN-TV

AM – TV – FM

A Felzer Station

KOLN-TV/KGIN-TV

Channel 10 ***A CBS Affiliate*** **Channel 11**

LINCOLN, NEBRASKA / GRAND ISLAND, NEBRASKA
1500 FT. TOWER / 1069 FT. TOWER

Avery-Knodel Television National Representatives

Home heating's kerosene evangelist

William Litwin heads Kero-Sun, the largest distributor of portable kerosene heaters in the U.S. As the booming industry gets more competitive, Litwin is doubling his ad budget to $11 million and planning diversification, while competitors scramble for share and sales.

We are evangelists," says William S. Litwin, founder and president of Kero-Sun, the largest marketer of portable kerosene heaters in the U.S. "There are different mind-sets in the industry," he adds, "different marketing techniques. The other companies think of the heaters as just another metal commodity, as an appliance. We think of ourselves as the new wave of energy conservationists, with a commitment to our product."

Portable kerosene heaters are the newest by-product of America's search for alternate sources of home heat. Traditionally, that market has been dominated by electricity, with a 70% share, and only 30% for all other sources, which include coal, wood and kerosene.

Now, says Frank Watkins, associate editor of the *National Energy Journal* and a close watcher of the home energy industry, the portable kerosene heaters are booming. These heaters alone accounted for a 50% share of all portable heat sources, he adds, a share that is likely to increase to 70% in the next year.

Kero-Sun has been the market leader since the industry took off. Recently, however, the Kent, Connecticut-based company has been losing market share. The company, which controlled over 50% before 1981, and 48% in 1981, slipped to a 30% share in 1982. Industry experts say that the market for the portable kerosene units will continue to become more competitive; they forecast another slip for Kero-Sun in the coming year, to 28%, and increases in share for several other major distributors.

Kero-Sun has always been the leader in advertising, spending up to 10 times as much as its nearest competitors.

Responding to the increased competition, Kero-Sun's ad budget in 1982 will be nearly double last year's estimated $7 million.

"Middle America is our prime market," claims Litwin. "Our best customer is someone who gets emotionally involved with heat."

Litwin speaks with the confidence and the unusual exuberance of a soapbox preacher. An airline pilot for Pan Am when he founded his company, he had virtually no business experience, but a great interest in energy conservation. He convinced Toyotomi Kogyo, the Japanese manufacturer, to let him represent them exclusively in the U.S. Now, six years later, Litwin owns a 300-acre farm, drives a Mercedes SEL, and flies a Lear jet; Kero-Sun distributes heaters throughout the U.S., and Canada, and is venturing into the U.K.

"Our target audience," he continues, "is low to middle income, a suburban homeowner, who's married, has two kids, and is between 25 and 45."

Last year the company concentrated on network tv (estimated at $2,911,100 by LNA), national magazines (an estimated $1,860,500), and newspapers (an estimated $1,280,900). The 1982-83 budget, Litwin adds, will be about $11 million.

"Next year," he continues, "our commitment is going to be extensive. We will concentrate on primetime tv. As we did last year, we will advertise on *Monday Night Football* and the *Today* show, and we are also doing other primetime shows that we haven't decided on yet." The company will also go into several national magazines: *House Beautiful, Better Homes & Gardens, Newsweek, Time, Money,* and *Sports Illustrated.*

Kero-Sun's marketing and advertising has focused on promoting the safety and efficiency of kerosene-fueled heat. Most of the heaters currently on the market, including those Kero-Sun distributes, have passed the Underwriters Laboratories safety standard, as well as other similar independently-administered tests.

The industry refers to these heaters as 'new generation,' to differentiate them from the older models popular in the 1950s. Because the older heaters were held responsible for many domestic fires, says Watkins, the new safety standards are more stringent, and the new models equipped with automatic shut-off devices and other safety features.

But the public bias persists.

When he founded the company in 1976, Litwin says that he was obliged to allocate a significant portion of his advertising budget toward stressing the safety of the heaters. He has spent much energy working with the National Kerosene Heaters Association, the trade association to which Kero-Sun does not belong, trying to change legislation in states which ban the use of the heaters.

"So far, we have been successful in changing the law in Connecticut, Rhode Island, Maryland, Ohio, and New Hampshire — our latest victory. We are continuing safety promotion in Massachusetts and California," he says. Naturally, he adds, the company expects to see a significant increase in [illegible] if the law is changed in Massachusetts, especially under the influence of New Hampshire's new laws.

Litwin says he no longer feels obliged to place as much emphasis on advertising the safety of the units, and has shifted emphasis to energy efficiency. "The newer units are 99% efficient," says John Kennedy, director of sales for Kero-Sun, "compared with the 50% to 65% efficiency of a coal or wood burning stove."

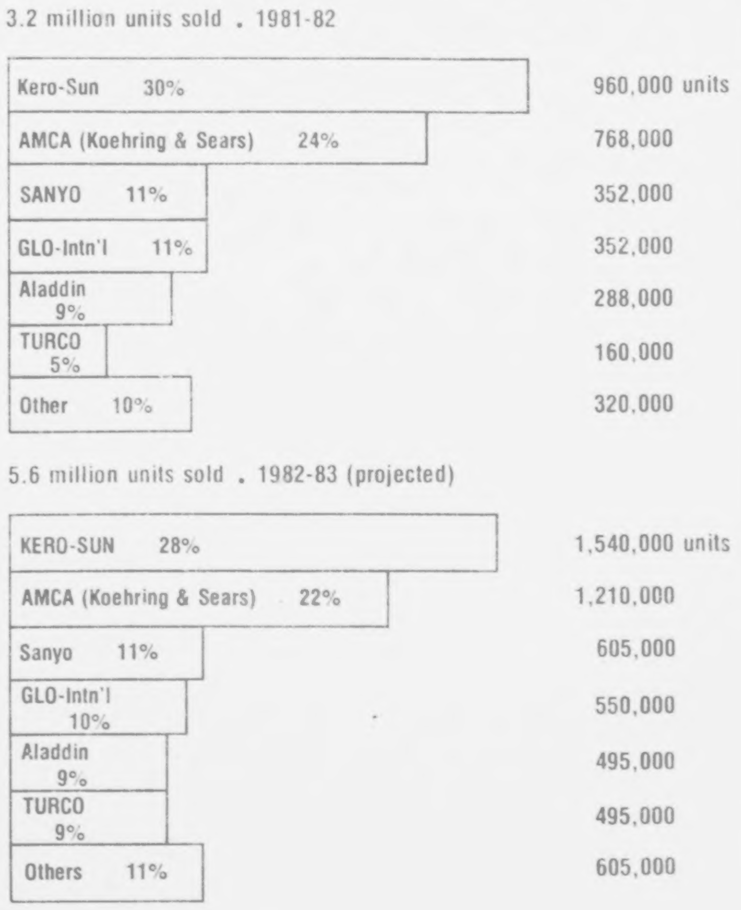
In addition, the advertising emphasizes the economic aspects of heater use. Depending on the size of the house or home, and its efficiency or insulation, these portable, low-cost units can be used not only as space heaters — for which they are designed — but to cut oil heating costs as well.

Competitors point to Kero-Sun's tremendous advertising push as the cause of the company's success to date, and some have increased their own ad budgets in response to Kero-Sun.

"I think that name identification is virtually non-existant," says Bernard McHardy, manager of product services for Aladdin Industries, one of the top

Continued on page 150

Market share estimates:
Major distributors of portable kerosene heaters



Courtesy of the National Kerosene Heaters Association five kerosene heater distributors in the U.S. But consumers have reacted to Kero-Sun's blitz. "We are planning to increase our own ad budget," he continues, "and, I believe, Kero-Sun will face increasing share erosion in the coming years."

A spokesman for GLO-International, the rapidly-growing three year old distributor, said that the budget for 1982 was 250% over that for 1981, but claimed that the increase was in response to sales. Like Kero-Sun, GLO-International plans to advertise on all three networks, as well as in *Newsweek, Field & Stream, Popular Science, Sports Illustrated* and *Home* magazines. An extensive trade campaign is planned as well. "We see a rapid expansion in the next year," he explained.

"We are not worried about losing market share," Litwin answers. "That is not an issue. I think that market share is falling in line with sales figures. You have to realize that as of yet, there is very little penetration."

Kennedy also emphasizes the extensive distribution network of dealers and distributors, which he claims is unique to Kero-Sun: "We have a unique channel of distribution for energy efficient home comfort, with 65 distributors in the U.S., Canada, and U.K., and 15,000 dealers — 12,000 in the U.S. alone."

Retail distribution of the company's products encompasses major appliance stores, garden supply centers, power equipment stores, hardware and home centers.

Although the market for kerosene heaters is slowly becoming a national one, the northeast is still the most important area, he adds.

The more closely targeted, segmented advertising is handled by the regional distributors, who direct their advertising toward their specific markets. Litwin stresses the co-operation between Kero-Sun and the dealers and distributors, that extends not only into the advertising plans, but into the newer areas of diversification that Kero-Sun is just beginning to market.

"The kerosene market is slowly becoming national, but the Northeast is still the most important."

The latest innovation is the Monitor line, which was introduced in the past year and will be a focus of this year's advertising. The Monitor is a large, non-portable unit, priced about four times higher than the portables.

Its efficiency rating is 92% — slightly lower than the lighter units. With an automatic timer and a thermostat, the unit is being marketed as a replacement for central heating units.

"The problem with these larger models," says Watkins, "is that they eliminate all the advantages that are the major selling points of the portable units. People are looking for a cheap, quick fix. Not only are these units too expensive but kerosene is really not a feasible alternative to central gas heating."

"Competitors point to Kero-Sun's tremendous advertising push as the cause of the company's success."

Roger Mitchell, president of the National Kerosene Heater Association, agrees. "The high cost of the Monitor, plus the installation cost and the aggravation, takes one of the major advantages out of the product. The unit isn't portable either, which was also a selling point. I don't think these larger units put out enough heat to replace central heating." Mitchell sees the interest in kerosene units as a product shift from wood stoves, and adds that cutting down the cost of central heating is the major incentive to buy a portable kerosene unit.

"The only place I think that the Monitor has a chance of succeeding is in the Southwest, Florida, Southern California, where central heating isn't really used. There, you might find a sort of replacement of central heating with zone heating."

Litwin, on the other hand, emphasizes the compatibility of the portable units with the Monitor. Kennedy agrees, citing the Monitor as both "a logical progression" of the energy efficient ideal on which Kero-Sun was founded, and as "a new business."

"Some feel the interest in kerosene heaters will go the way of the wood burning stove."

"The Monitor is just the first of the more highly sophisticated units we will be marketing in the future," continues Litwin. "We have always had a significant R&D budget — one of the largest in the industry. Not only do we work closely with the manufacturer in Japan, but we have our own engineering facility here in Connecticut. This is a continuing effort on our part. We are also working toward developing a new line of more sophisticated portable heaters."

But Watkins and other industry experts feel that the market will peak in the next two years, as replacement costs for unit parts decrease the convenience of the units, and as the price of kerosene rises. The kerosene heater, says Watkins, is likely to go the way of the wood-burning stove. Once the interest in the new source of energy pales, the units will disappear into the closet.

Not so, says Litwin. "There is no such thing as a peak in this industry," he claims. As soon as an apparent peak is reached, he continues, Kero-Sun will have come up with replacements or supplements for the existing units.

One of the projects Kero-Sun is developing is an energy efficiency store. The effort, spearheaded by Litwin, will use the existing distribution network for the stores, tentatively called Energy America.

"Energy America is right now in a planning stage. We are testing stores in Connecticut this winter. The plan is for them to sell every dimension of energy units, from air treatment units, to generators and furnaces.

"We're going to be looking for the unique products that really work. Eventually, the stores will be a franchised, national chain. I can see us moving out of kerosene heaters altogether, and into Energy America."

Laura Jereski

Get 59% EXTRA Readers in the Jacksonville Market

EXTRA readers!

That's what you get when you advertise in The Neighbor EXTRA.

Used in combination with The Florida Times-Union, this special, new community weekly gives you a whopping 89% unduplicated penetration in *Jacksonville.*

The Neighbor EXTRA satisfies all of your advertising needs: tested product, blanket coverage, high readership, cost effectiveness, and timely delivery.

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The Florida Times-Union

Represented nationally by Branham Newspaper Sales.

LOOK BEYOND LOS ANGELES AND ORANGE COUNTIES.

Look to us and the rapidly growing 25th major market area - Riverside, San Bernardino, Ontario.

And look to us for the results you need in Southern California's fastest growing county.

Call today. We'll tell you more about how our daily audience of more than one-quarter million will fit into your marketing plans.

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AS THEY SEE IT

MEDIOLOGY
by DAWN SIBLEY
media director,
MCA, New York.

Cable's impact on test markets

Remember the time when it was relatively easy to find a television market, or group of markets, in which to test a brand's alternative media or creative strategies? All one had to do was check the DMA or ADI for household size, product distribution, demographic and geographic suitability, media consumption patterns and broadcast spill-in/spill-out factors. The list of markets that met the criteria was generally long enough to provide a good selection.

Well, it is no longer that simple. In fact, it is now difficult to find a controllable test market. The problem is that the high level of cable penetration in many markets has seriously affected media spill-in and spill-out.

At last count, according to A.C. Nielsen, approximately 72 DMA's were close to or over the 50% penetration mark for cable. That is, roughly, one-third of the television markets in the United States.

A few years ago, many of these DMA's used to be considered highly acceptable test markets, which means that they met the approximate 10% spill-in/spill-out maximums which were established as a criterion to ensure good broadcast coverage of the area and its population.

A glance at the five-year growth

Cable Audience Distribution

	Year	Cable TV % of TVHH	Distribution of Cable TV Viewing in DMA	
			Outside Stations %	Inside Stations %
Albany-Schenectady-Troy	'81-'82	47.5	34	66
	'77-'78	29.3	26	74
Charleston, SC	'81-'82	33.2	31	69
	'77-'78	0.0	0	0
Charleston-Huntington	'81-'82	54.3	33	67
	'77-'78	41.0	21	79
Dayton	'81-'82	36.9	35	65
	'77-'78	15.2	29	71
Peoria	'81-'82	46.0	35	65
	'77-'78	24.1	20	80

Source: NSI, Spring, 1982

trend of cable penetration in a representative list of these "good" markets (Exhibit I) clearly indicates that they have all experienced significant growth in the cable area.

In order to learn if the presence of cable was having a decreasing effect on audience viewing to stations that originate inside the market, we examined five randomly selected DMA's. We learned that in the homes receiving cable, approximately 33% of the viewing was going to stations outside the DMA.

The loss of viewing to home stations made us question whether we could achieve adequate broadcast coverage of these or similar DMA's when we purchased local test spot campaigns. For example, if almost one-half of Albany's homes are viewing cable television, and 34% of that viewing is to outside stations, we concluded we might have difficulty building our test level to our goal level in these homes.

Our final step was to analyze where the cable viewing to outside stations was actually going. If it was to cable-originated programs, perhaps we could arrange to purchase local time from local operators.

The majority of the viewing, to no great surprise, is going to independents outside the market. Not only is this a problem in terms of adequately covering a test market, but there will certainly be a markedly greater spill-out of a test campaign to other markets, if independents are purchased in the test market.

Perhaps, in the future, as cable-originated programing becomes avail-

Cable Television Audience Distribution

Market	Year	Cable TV % of TV HH	Home DMA Viewing Share		Dist. of Non-Cable TV Viewing in DMA		Dist. of Non-Cable TV Viewing in DMA	
			Non-Cable TV	Cable TV	Outside Stations %	Inside Stations %	Outside Stations %	Inside Stations %
Albany-Schenectady-Troy	81-82	47.5	47	53	3	97	34	66
	80-81	44.1	53	47	5	95	30	70
	79-80	36.1	62	38	3	97	22	78
	78-79	31.9	67	33	5	95	25	75
	77-78	29.3	68	32	4	96	26	74
Charleston, SC	81-82	33.2	66	34	3	97	31	69
	80-81	25.2	73	27	2	98	26	74
	79-80	**						
	78-79	**						
	77-78	**						
Charleston-Huntington	81-82	54.3	45	55	7	93	33	67
	80-81	51.9	48	52	8	92	28	72
	79-80	42.3	51	49	5	95	23	77
	78-79	42.2	52	48	5	95	23	77
	77-78	41.0	51	49	7	93	21	79
Dayton	81-82	36.9	61	39	16	84	35	65
	80-81	32.6	66	34	19	81	36	64
	79-80	21.1	79	21	16	84	32	68
	78-79	20.2	78	22	15	85	31	69
	77-78	15.2	83	17	14	86	29	71
Peoria	81-82	46.0	54	46	15	85	35	65
	80-81	37.7	60	40	12	88	35	65
	79-80	30.4	69	31	10	90	20	80
	78-79	25.1	77	23	9	91	20	80
	77-78	24.1	78	22	12	88	20	80
Wilkes Barre-Scranton	81-82	63.0	35	65	21	79	32	68
	80-81	61.6	36	64	19	81	32	68
	79-80	55.0	43	57	16	84	25	75
	78-79	54.6	44	56	18	82	26	74
	77-78	51.2	46	54	20	80	28	72

** Does not meet minimum reporting standards

Source: NSI, Spring '82

able on a local system basis, we will be able to replace commercial weight in those homes. However, for the moment, our conclusion is that cable is going to seriously affect the selection and control of test markets. There does not appear to be a quick solution in sight.

Distribution of cable tv viewing in DMA

	Outside Market	% Viewing
Albany-Schenectady-Troy	New York	13
	Boston	7
	Hartford, New Haven	2
	Springfield	2
	Cable Originated	3
	Pay Cable	5
Charleston, SC	Atlanta	9
	Chicago	3
	Wilmington	2
	Cable Originated	5
	Pay Cable	11
Charleston-Huntington	Atlanta	9
	Beckley-Bluefield	6
	Cincinnati	4
	Columbus	3
	Lexington	2
	Tri-Cities	1
	Cable Originated	1
	Pay Cable	4
Dayton	Cincinnati	12
	Columbus	4
	Indianapolis	3
	Atlanta	3
	Ft. Wayne	1
	Cleveland	1
	Cable Originated	3
	Pay Cable	7
Peoria	Chicago	17
	Champaign-Springfield	6
	Cable Originated	3
	Pay Cable	8
Wilkes Barre-Scranton	Philadelphia	12
	New York	11
	Harrisburg/Lancaster/Lebanon	5
	Cable Originated	1
	Pay Cable	2

AGRI-MEDIA
by ALAN REISS
senior vp,
Creamer, Inc.

Myths of agricultural tv advertising

It has been said that "the medium is the message." In the case of television advertising for agricultural products, I believe the medium is the mystery.

Television, though around for many decades, is still a relatively incomprehensible technological art to many people in the business — not so much the physical aspect of how it works, but rather how it affects viewers.

What causes some people to applaud the medium as being the best, the greatest help, while others denounce it as the worst? How can the same thing be so good and so bad at the same time?

Ask virtually anyone in advertising about tv's greatest strength and they'll tell you: "It's an awareness building medium." Some might even volunteer that it can communicate a message as well, provided the message is simple. But when you ask the same question in agriculture, especially among agricultural chemical companies, many say that it creates awareness all right — the awareness among urbanites that we are out to poison the earth, or something equally as dreadful.

Which leads us to our first, and extremely volatile myth:

Agricultural chemical advertising on television causes the general public, spelled "city dweller", to rise up in arms against the entire industry.

This myth is so strongly entrenched in the minds of many agricultural chemical marketers that it has led to spin-off myths such as: If we don't regulate our use of television (i.e., get off the air) then the Federal Government will step in and pull a cigarette-type trick out of their hats. Warning, or better yet, danger: Agricultural chemical television advertising is hazardous to the earth's health.

Another spin-off myth: *Not only do city dwellers hate our tv advertising, but the farmers hate it as well.*

This is to the point of nearly rebelling against the purchase of these products.

SPECIAL
REPORT

Business-to-business advertising

UP 173%
IN 20 YEARS

When times are tough, business-to-business advertisers opt for the old standbys.

Instead of putting their ad dollars into tv and other broadcast media, most business-to-business advertisers are cutting back on their glamorous corporate image campaigns and looking to place their product-oriented ads in efficient media — trade and business magazines.

Notes Richard Groves, president of International Thomson Business Press, "Ten to fifteen years ago the trade press picture looked grim. But with the growth of new electronic, medical and energy-related technology, the ranks of trade books covering these fields are growing."

The American Business Press estimates that 40% of all business-to-business advertising is spent on print ads. And despite the recessionary economic climate of late, the ABP reports

In an effort to stretch recessionary dollars, most business-to-business advertisers are dropping their corporate image campaigns and placing more emphasis on product-oriented ads. Efficient trade and business magazines continue to be the mainstay for business-to-business campaigns but a few advertisers are venturing into broadcast and other consumer media.

that ad pages have increased by 173% in the past decade.

One reason for the heavy reliance on print is the skyrocketing cost of a personal sales call. A recent McGraw-Hill Research survey reports that the average personal sales call is estimated to cost $178 compared with $71.27 in 1975. Additionally, notes one industry source, a sales call may not always be the most effective way of reaching the purchasing decision makers.

His point: "Many of the buying decisions a number of years ago were usually made by one person. Today most of the decisions are made by a committee of people, each person representing a different area of a company."

To reach group members individually advertisers use a variety of tightly targeted publications. Dennis Ritzel, director of advertising and corporate identity for Eaton Corporation, notes that advertisers are more selective with their advertising dollars, "It's a lot easier to spend $500,000 than $200,000. But with the squeeze on dollars, it's essential to place ads in well targeted, editorially precise publications."

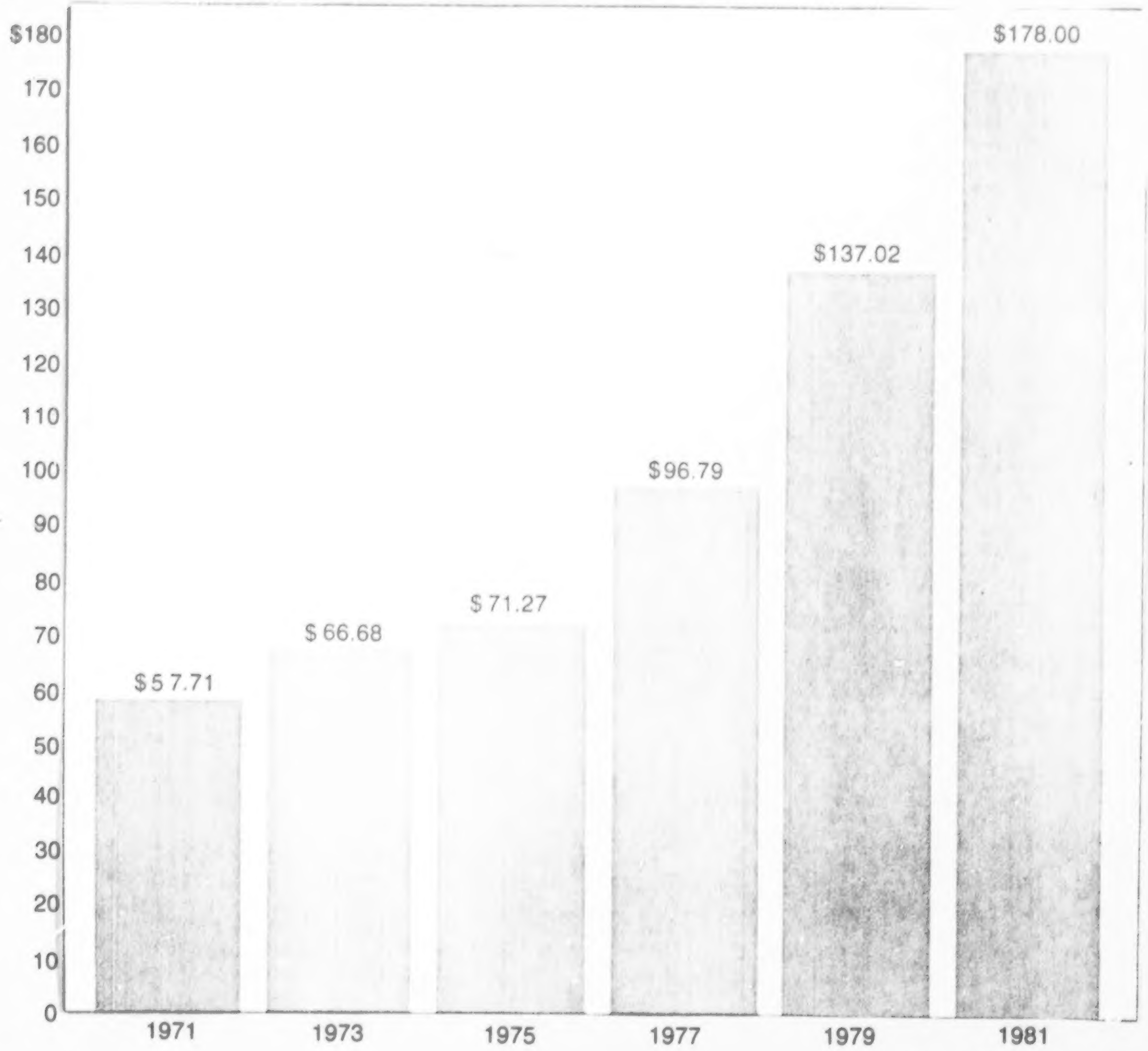
According to E. Wayne Schlegel, senior advertising manager for architectural and industrial markets for Armstrong Cork, his company tries to reach people who are instrumental in influencing the purchase of Armstrong products. For example, an architect might be the key target for Armstrong Sheet Covering. The idea is to get him to specify this material in his design plan.

To reach a narrowly targeted audience, Armstrong aims for front positioning in the leading three or four horizontals in a variety of fields.

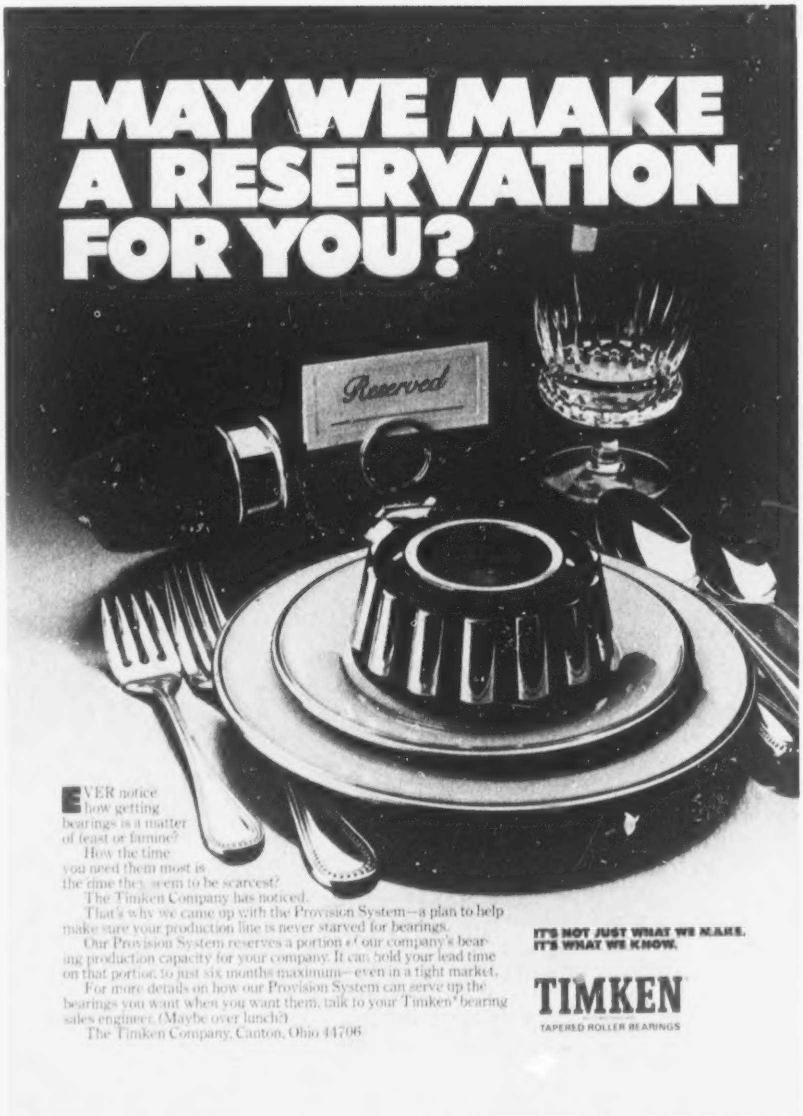
Notes Schlegel, "In the past six to seven years, we've created a high awareness level by running a series of continuous spreads up front."

For the Timken Company, manufacturer of steel products, the use of single pages or spreads really depends on the goals of a particular campaign. According to Richard L. Bohmer, advertising manager, "We started out using spreads for our purchasing campaign that featured general product lines, but we shifted to single pages to emphasize specific products."

Cost of average industrial sales call



Source: McGraw-Hill Research



MAY WE MAKE A RESERVATION FOR YOU?

EVER notice how getting bearings is a matter of feast or famine?

How the time you need them most is the time they seem to be scarcest?

The Timken Company has noticed.

That's why we came up with the Provision System—a plan to help make sure your production line is never starved for bearings.

Our Provision System reserves a portion of our company's bearing production capacity for your company. It can hold your lead time on that portion to just six months maximum—even in a tight market.

For more details on how our Provision System can serve up the bearings you want when you want them, talk to your Timken® bearing sales engineer. (Maybe over lunch?)

The Timken Company, Canton, Ohio 44706

IT'S NOT JUST WHAT WE MAKE.
IT'S WHAT WE KNOW.

TIMKEN
TAPERED ROLLER BEARINGS

Timken offers an elegant picture of a table setting with one of its bearings dished up in splendor. After catching attention of trade paper readers it gets down to promise of service to customers when they need it.

Bohmer explains, "Our ad campaigns are more closely tailored to specific job functions and markets than ever before. The research that goes into selecting our publications is more costly but we get greater returns in the long run." Timkin works with BBDO, New York in developing its media schedule. Similar to other companies in the depressed steel industry, Timken recently dropped its corporate ad campaign. Schlegel also notes that last year the company's overall ad budget was cut by 15%.

A growing number of other companies have chosen a similar path. Says Dennis Ritzel of Eaton, "Because of the state of the economy, we used to do both corporate and product advertising. But rather than cut back in both areas, we decided to concentrate on product advertising and eliminate our corporate program."

Ritzel further notes, "Our key objective is maintaining frequency. To do that, and still adhere to our budgets we sometimes use black and white instead of color or a 2/3 page ad in place of a full page ad."

Glen Peterson, director of corporate communications for Foxboro Corporation, manufacturer of temperature control instruments, maintains that even though the company is working with a decreased ad budget, consistency in ad placement is essential. Peterson says, "We've been staying with the same books, but instead of placing an ad eight times a year we've cut back to four times."

Karalee Arrigo, associate media director at Marsteller, observes that there is a trend away from advertising in the demographic editions of newsweeklies and back to the more traditional business books such as *Business Week*, *Fortune* and *Forbes*. One reason for the shift is the feeling that the traditional business books are more adept at documenting who their readers are.

In their attempt to stretch recessionary dollars, most advertisers agree on the importance of selecting efficient media. Even more essential is using selected media wisely.

Along these lines, advertisers are departing from traditional single page A format ads (picture at top, graphics at the bottom) and are using more gutsy, consumer-oriented techniques in their business-to-business campaigns. As an example, some companies are running consecutive pages and fractionals, spreads and fold outs. Others are placing several inserts in the same issue for immediate impact and impression rather than stretching out their ads over several publications.

Experiments in graphics

Advertisers are also adding more pizazz to their ads. Says William Barbour, president of Chilton publications, "The nature of business-to-business advertising has changed dramatically over the past four years. Ads have gotten more attractive through the use of four color reproduction. Graphic design is also a lot more sophisticated."

John Sheehan, president of magazine division for Cahners Publishing Company, attributes the improved quality of business press advertising to the drastic changes in trade publishing in the last decade. In fact, to discard an old stigma once associated with trade books, Sheehan notes that most publishers, himself included, prefer calling their books 'specialized business magazines.' He goes on to say, "Trade publications were once thought to be on their way out. Ad pages were at an all time low. In recent years that trend has been reversing itself."

One of the reasons for the growth of trade books of late is due to new and developing technologies. Key to their importance is that they provide essential job-related information — and a way of keeping abreast of the latest developments in a field.

Sheehan goes on to say that the number of publications that have cropped up have spurred some hotly competitive battles in a number of fields — such as energy, electronics, health care and cable. As a result, publishers have been forced to upgrade the editorial content and format of their books.

In addition to improved quality, another reason for the growth of trade press or "specialized business magazine" advertising, according to Sheehan, is that publishers have been able to show action and benefit from the use of their publications. He says, "We conduct benchmark product awareness studies before and after advertising. As a result, we're able to prove to advertisers that they're getting their money's worth."

Adds Tom Dempsey, chairman of Penton/IPC, "Business magazines have gotten more sophisticated and competitive because the need for the type of information they convey is much stronger than ever before."

Although ad volume for space advertising reflected a 173% increase over the past ten years, Joe Newman, vp-media director at Marsteller in New York, says that evaluating research and data provided by trade publishers is a difficult and time consuming task because of the lack of comparability audits in a vast number of fields.

He notes that trade publishers know an enormous amount about their market places, but their research data is not computerized and documented along similar lines, thus making it difficult to compare different publications.

Says Newman, "Trade magazines are still sold, analyzed and evaluated as they were 20 years ago."

One of the reasons for the lack of comparability, Newman speculates, is that some trade publishers are reluctant to have their magazines compared for fear that the numbers will point out weaknesses in circulation data and obscure the quality and uniqueness of editiorial content. However, he contends, "The numbers point out weaknesses as well as strengths."

Another problem for media people is that many of the trade books are highly technical, and almost impossible to evaluate.

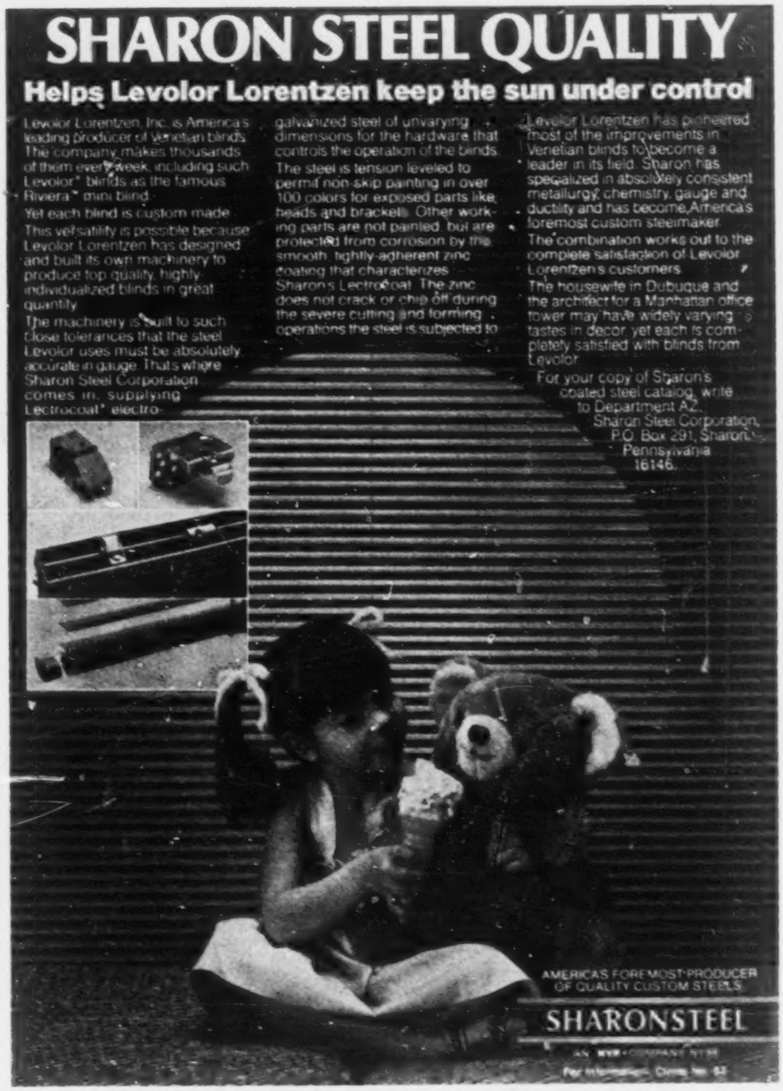
Despite the ongoing controversy between media people and publishers, about comparability audits, Joe Foley, president of the Business Press Audit contends that a significant amount of progress has been made in this area.

"Since 1969 the BPA has been making a concerted effort to formalize market comparability by holding meetings with advertisers and agencies to discuss the best classifications for the various business trade magazines as well as the job titles and functions of the people they're circulated to."

So far, Foley notes, out of 901 total publications in 220 market segments, BPA has achieved comparable audits in 114 markets and 490 publications.

Use of general media

In addition to using trade publications, some business-to-business advertisers are also finding that they can reach their target audiences through traditionally consumer-oriented media.



SHARON STEEL QUALITY

Helps Levolor Lorentzen keep the sun under control

Levolor Lorentzen, Inc. is America's leading producer of Venetian blinds. The company makes thousands of them every week, including such Levolor® blinds as the famous Riviera™ mini blind.

Yet each blind is custom made.

This versatility is possible because Levolor Lorentzen has designed and built its own machinery to produce top quality, highly individualized blinds in great quantity.

The machinery is built to such close tolerances that the steel Levolor uses must be absolutely accurate in gauge. That's where Sharon Steel Corporation comes in, supplying Lectrocoat® electrogalvanized steel of unvarying dimensions for the hardware that controls the operation of the blinds.

The steel is tension leveled to permit non-skip painting in over 100 colors for exposed parts like heads and brackets. Other working parts are not painted, but are protected from corrosion by the smooth, tightly-adherent zinc coating that characterizes Sharon's Lectrocoat. The zinc does not crack or chip off during the severe cutting and forming operations the steel is subjected to.

Levolor Lorentzen has pioneered most of the improvements in Venetian blinds to become a leader in its field. Sharon has specialized in absolutely consistent metallurgy, chemistry, gauge and ductility and has become America's foremost custom steelmaker.

The combination works out to the complete satisfaction of Levolor Lorentzen's customers.

The housewife in Dubuque and the architect for a Manhattan office tower may have widely varying tastes in decor, yet each is completely satisfied with blinds from Levolor.

For your copy of Sharon's coated steel catalog, write to Department AZ, Sharon Steel Corporation, P.O. Box 291, Sharon, Pennsylvania 16146.

AMERICA'S FOREMOST PRODUCER OF QUALITY CUSTOM STEELS

SHARONSTEEL

Sharon Steel features quality of product in terms of one of its customers, Levelor Lorentzen, Inc., leading producer of Venetian blinds. Human interest touch includes pigtailed child, teddy bear and ice cream cone.

Ron Wilson, director of communications for Victor Business Machines, notes that his company uses a media mix of early and late drive time on network radio in conjunction with horizontal and vertical publications to advertise the Victor 9000 desk top computer. Radio spots are thirty seconds and run 56 times a week.

For some advertisers, television is an important facet.

Toshiba uses spot tv in combination with general business and trade magazines and newsweeklies to advertise its BD-4511 desk copier. According to Jack Schmidt, national advertising manager of the copier products division, spot tv is used to increase brand awareness quickly.

To reach the target audience for this product, male decision makers aged 25-50, the copier was advertised on late evening news, ABC's *Nightline*, CBS's *60 Minutes* and a limited number of sports programs during June and July. Schmidt notes that the ads were estimated to reach 26.7% of the key target audience in this time period.

The tv campaign was supported by a $3 million print campaign in general business publications such as *Fortune*, *Business Week*, *Inc*., business editions of *Time* and *Newsweek*, as well as a variety of office trade books.

Schmidt says that both media are important. Tv is used for making the product known to key decision makers, while print reinforces the tv spots and offers more information.

AT&T is another advertiser that uses tv as a valuable support to print for both corporate image and product-oriented business advertising in trade books.

According to K. Whitney Weihe, director of business advertising for AT&T, his company's advertising strategy is twofold: to position itself at the forefront of the information management area as well as inform the target audience about specific services, for example, the dimension PBX communications system.

To advertise Dimension PBX, AT&T uses tv, general business books, newspapers, and vertical trade publications for additional emphasis.

Notes Weihe, "One of the most valuable aspects of tv is that it is efficient in reaching people in both large and small businesses. Tv also creates the impression of ubiquity."

AT&T, along with a host of other companies, is looking into new forms of broadcast such as cable and interactive cube as yet another way to narrowly target to specific business audiences.

Karalee Arrigo speculates that the future outlook for cable and other new broadcast media in business-to-business advertising will depend largely on their ability to provide valuable job-related information to narrowly targeted audiences as the trade books do now.

Says Sheehan of Cahners about the future propects for videotex, "Let's just say that when the time is right, we have ample resources and capabilities to offer this type of service."

Madeleine Dreyfack

"Bell put reduced operating costs at our fingertips."

If you've got a business, the Bell System has a way for you to reduce operating costs. By installing a Dimension® PBX from Bell, you gain control over many features of your communications system.

You will be able to assign your own extension numbers, which means that an employee can change offices and keep the same number. Any member of your staff can transfer a call without involving your operator. Any call can be turned into a three-way conference call, with callers speaking from three different telephone numbers. Any employee can instruct the system to direct his or her calls to another telephone. Special rings distinguish outside calls from inside calls.

You can assign special features to specific phones. You can limit which phones have access to long distance calling. You can print out your own record of calls for individual phones.

But you won't be entirely alone. Bell will continue to check your system to identify problems before they develop. In many cases, repairs will be made remotely.

Turn your telephone system into a productivity resource. Call your Bell System Account Executive.

The knowledge business

Bell System, one of the nations' largest advertisers in consumer media, does not neglect its messages to the trade. It claims reduced operating costs are available to the business that calls in a Bell System account executive.

Detail from Rave Hairspray ad

Brand report 79:

Hair care

Hair care spending in 1981 was up only slightly but 1982 has seen increased ad budgets. As the competition heats up, several marketers are adding primetime television, the favored medium in this market, but some companies spend a lot in magazines.

Straight, drab, limp hair is being permed, set, conditioned, and colored into fashionable hair styles. Lady Diana's pert and bouncy look is in. So are Raquel Welch's soft waves.

Neither hairstyle is easy to duplicate, however. It takes a professional cut, a set and a hold to have hair resembling Lady Di's. And a body permanent to copy Raquel's waves, says *Glamour* assistant beauty editor Nancy Karakula.

So it stands to reason that hair care sales are up. Sales were up 12% in 1981, although prices were up slightly, according to *Product Marketing's* Consumer Expenditure Study.

Home permanent sales have never been better and hair sprays have shaken off the scare over aerosols. Hair coloring has been improved. Colors are more natural and potential damage to hair has been reduced. Shampoos today promise not only to clean hair but also give it body, shine and manageability. The conditioner market is hotter than ever, marked by a host of new products from major companies.

Yet hair care ad dollars in 1981 increased only 1% according to figures from Leading National Advertisers, Media Records and Broadcast Advertiser Reports last year. Support for Tegrin, Selsun Blue, Pert, Prell, Vidal Sassoon and Johnson's was off. But new brands offset the spending decrease trend.

This year, however, spending is way up. Several hair care marketers said they have increased budgets substantially. A majority of the increase comes as a result of a significant shift into primetime television. Primetime spending best protects and increases market share in the many heated battles, marketers said. Gillette is the aggressor in the marketplace.

"Gillette has, by far, been the company that has turned the steam on in the marketplace. They have just been doing phenomenally well," said Brenda Landry, stock analyst with Morgan Stanley.

Gillette lit one fire in the marketplace this August by going after a previously untapped market — consumers with especially oily hair. The Gillette product For Oily Hair Only, is going after the largest category of shampoo users in the market. People plagued by oily hair represent 19% of the market, more than the equally rich dandruff market, according to Gage Heath, marketing manager at Gillette. The brand is supported by $12 million, Gillette's largest budget for a single entry, she said.

The biggest battle for market share is in conditioners. Gillette also started this ball rolling, three years ago when it introduced Silkience conditioner. The next year, it introduced Silkience shampoo. The brand's $17 million budget last year, second largest in the market, has paid off.

Silkience now challenges Revlon's Flex for the leading spot in conditioners. And it has hurt sales of Clairol and Helene Curtis products. S.C. Johnson is going after this segment too, last year increasing Agree's budget by 42% last year, and Enhance's by 30%.

The amazing product in conditioners is Revlon's Flex. In spite of several attacks, the brand has held its territory. Last year, sales of this relatively mature brand climbed by 6%.

Clairol still dominates the hair coloring market with a 48% estimated share. But L'Oreal has eaten away at Clairol's strong lead. L'Oreal's Preference has gathered strength by appealing to the female ego, telling them they deserve a "better" product.

Another big story is medicated shampoos, where Procter & Gamble's Head & Shoulders, continues to impress by registering sales increases — 18.2% in 1981. The increase came despite strong showings by Selsun Blue and Tegrin.

Home permanent sales are up more than any other product category, increasing last year, by more than 30%, according to *Product Marketing*. The two big contenders in this category, Cheseborough Ponds' Rave and Gillette's Toni, both enjoyed large sales increases last year. The two have a 59% estimated share of this market.

Clairol's Final Net and Rave are the two battlers for market share in hair sprays. However, a new contender is Gillette's Mink Difference. Hair spray sales were off, reflecting a decline in aerosol sprays but sales in 1981 were again up by more than 10%.

Spending Leaders

Three companies in the hair care field spend almost half of the total $253 million. Leading the field is P&G's $49 million followed by Gillette's $33 million and Clairol's $41 million. Other big spenders are S.C. Johnson, at $19 million, Alberto Culver and Vidal Sassoon.

Of those companies, S.C. Johnson increased hair care spending the most, by 38%. Gillette also showed a strong increase of 18%. Clairol and P&G only increased their budgets by 1%.

P&G, however, spends the most on a single hair care brand — Head & Shoulders, which carries a budget of $17.7 million. Gillette is sneaking up on that lead though. Silkience's 27% increase last year put the brand at just below Head & Shoulders budget.

P&G also continues to spend heavily for Pert, over $14 million. But spending is down by 17% following its introductory support. Despite Pert's large splash, analysts say the product's sales are starting to slip.

"P&G has never been as happy with its toiletries business as it would have liked," Landry said.

Clairol has so many hair care brands — ranging from hair sprays to coloring, shampoos and conditioners — that it does not spend heavily on any one brand. Most Clairol brands are supported with about $7 million, although Clairol says that this year, spending is up significantly.

Hair care marketers spend about 64% of total on network television. Spot television accounts for another 18%. Magazines' percentage is 16%, newspaper supplement's 1% and network radio, 1%.

Spot radio and newspapers each get

Media spending for hair care — 1980–1981

1981

Total	Magazines	Supps	Net tv	Spot tv	Net radio	Outdoor	Spot radio	Newspapers
$253,347.0	$45,582.4	$2,127.2	$166,703.6	$38,356.5	$546.1	$31.1	$2,555.0	$1,010.0

1980

$250,426.8	$40,226.6	$2,483.3	$160,562.0	$44,968.8	$2,100.1	$2,100.1	$2,559.9	$840,003

% change 1981—1980

Magazines	Sups	Net tv	Spot tv	Net radio	Outdoor	Spot radio	Newspapers
+11%	–17%	+4%	–17%	–280%	–170%	0%	+17%

Source: Leading National Advertisers.

Introduce Your Hair to
Flex, Flex, Flex, Flex, Flex, Flex, or Flex
REVLON

Revlon's Flex retains lead despite increased competition

The Difference is Mink.
Mink

Mink Difference hair spray. It puts a silky hold on your hair.

Enriched with precious mink oil in every drop. Mink Difference hair spray is really different. Not only does it hold your hairstyle beautifully, it makes it feel beautifully soft and silky, like mink.

Run your fingers through your hair and find out what you already know – a little mink in a woman's life makes a big difference.

Enriched with precious mink oil in every drop

Gillette's new hair spray seeks to carve out a new market niche

under 1%. Last year, network television and magazines showed the biggest increase in spending. Magazines saw a 16% and net tv, 4%.

This year, many hair care marketers said they have shifted heavily into primetime television, a sign that the market is becoming more heated.

Newspapers also received a major increase last year, with spending up 17%. Spot television and newspaper supplements were down by 17% each.

"I think that hair care advertisers prefer television because they can easily inject excitement into commercials through the addition of movement and music which they can't have in print," said Gus Priemer, S.C Johnson's director of advertising.

Explaining the homogenous media planning in the hair care market, Priemer theorizes: "Advertising people are like elephants who all wrap their trunk around the same thing."

Clairol

Clairol took its media buying inhouse this year from Foote Cone & Belding and Doyle Dane Bernbach, and made a major shift into primetime television.

The change comes at a time when Clairol faces stiff competition from L'Oreal's Preference, Gillette's Silkience and Helene Curtis' Finesse. Competitors are forcing Clairol's dominant market share down to under 19%, dropping steadily each year for the last two years.

One brand that tumbled is Body on Tap, from Bristol-Myers, Clairol's parent company. Advertising for the brand has dwindled from over $6 million.

A key to Clairol's long-term success in the hair care market is its flexibility and sense of the market. Herbal Essence paralleled the flower children generation of the sixties. Summer Blonde came when straight long blonde hair was in. The company also has been rewarded for maintaining products that sell well against defined targets. Loving Care, for example, can only be a product for older women with grey hair. Final Net, a hair spray, has an older skew. Younger women prefer looser-looking hair styles.

But Clairol has not let the younger market slip by. A company spokesperson said it is striving to appeal to a wider age group.

Nice 'n Easy and Frost 'n Tip are aimed at younger women who want to highlight their hair. A new permanent offers the trendy curly look.

Clairol spends 58% of its budget in network television, soap operas and primetime to reach younger targets and television primarily for older skewed brands. Spot television gets about 8% of the budget.

Clairol spends about a third of its budget in magazines, a higher percentage than most.

Additionally, Clairol is the largest newspaper advertiser in the hair care market. Its $400,000 newspaper expenditure represents 40% of the total market's newspaper spending. Clairol also spends about 3% of its budget in newspaper supplements.

Procter & Gamble

P&G proves advertising's relationship to sales, spending heavily for popular brands, Pert and Prell, and the number one brand, Head & Shoulders.

No one hair care brand gets so many ad dollars as Head & Shoulders, a 20-year-old brand, and no other brand matches its sales. Head & Shoulders sells better than any shampoo, even though it is medicated. Dandruff shampoos hold almost 20% of the shampoo market.

The brand continues to show sales increases. Last year, Head & Shoulder sales were up 18.2%, building its estimated market share in the dandruff category over 50% with no price increase, according to *Product Marketing's* Consumer Expenditure study released in August.

The challengers in the dandruff category, Selsun Blue and Tegrin, each increased prices last year, 7% and 10% respectively, which may have led to their slight market share loss last year. The year before, both brands gnawed at Head & Shoulder's lead.

Sales have stabilized for P&G's relatively new shampoo for frequent users, Pert, introduced in 1979. Advertising support for the maturing brand is down, following the brand's large introductory ad budget of almost $17 million. In 1981, support was reduced by 17% for an ad budget of slightly over $14 million.

Pert is aimed at a potentially huge market, that category of people who want "bouncin' and behavin' hair," but the brand has not performed as well as P&G had expected. Still in 1981, it ranked fifth place among regular shampoos.

Prell, the fourth best-selling regular shampoo, continues to hold its own.

P&G reduced the long-established brand's support last year by 7% but the brand still gets about $10 million in ad support.

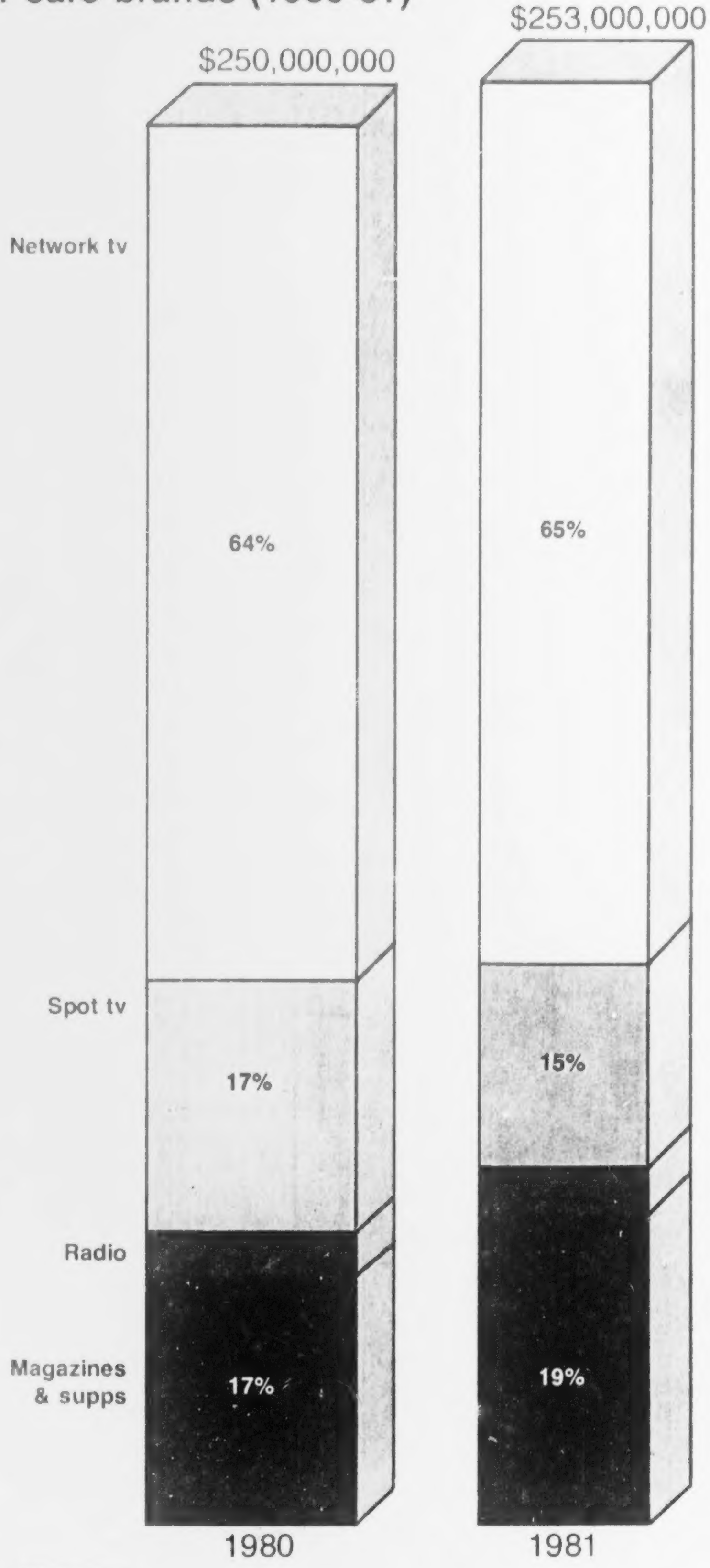
For those three brands, P&G spends $42 million, 17% of hair care ad dollars for all brands. About 80% of each brand's budget is allocated to network television. Spot television takes another 10% and magazines the rest.

Gillette

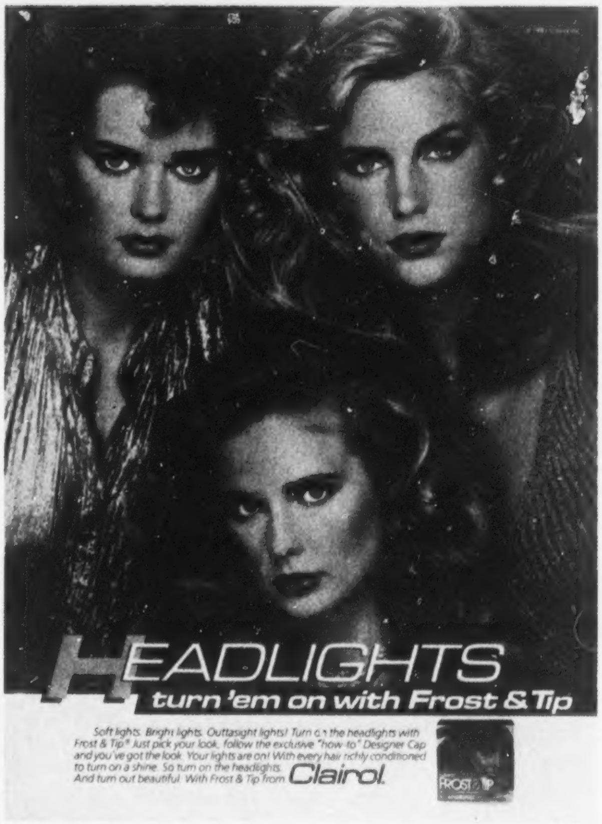
Gillette has continued to send shock waves through the marketplace, first with Silkience, then with Mink Difference Hair spray, and now with For Oily Hair Only.

For Oily Hair Only has the largest

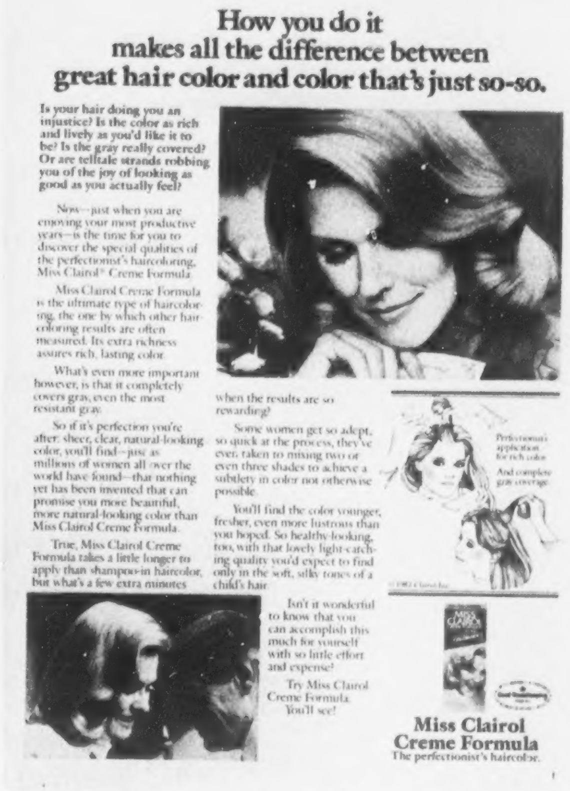
Media strategies — leading Hair care brands (1980-81)



Sources: LNA/BAR; Media Records; RAB/RER.



Soft lights. Bright lights. Outtasight lights! Turn on the headlights with Frost & Tip® Just pick your look, follow the exclusive "how-to" Designer Cap and you've got the look. Your lights are on! With every hair richly conditioned to turn on a shine. So turn on the headlights. And turn out beautiful. With Frost & Tip from Clairol.



How you do it makes all the difference between great hair color and color that's just so-so.

Is your hair doing you an injustice? Is the color as rich and lively as you'd like it to be? Is the gray really covered? Or are telltale strands robbing you of the joy of looking as good as you actually feel?

Now—just when you are enjoying your most productive years—is the time for you to discover the special qualities of the perfectionist's haircoloring, Miss Clairol® Creme Formula.

Miss Clairol Creme Formula is the ultimate type of haircoloring, the one by which other haircoloring results are often measured. Its extra richness assures rich, lasting color.

What's even more important however, is that it completely covers gray, even the most resistant gray.

So if it's perfection you're after: sheer, clear, natural-looking color, you'll find—just as millions of women all over the world have found—that nothing yet has been invented that can promise you more beautiful, more natural-looking color than Miss Clairol Creme Formula.

True, Miss Clairol Creme Formula takes a little longer to apply than shampoo-in haircolor, but what's a few extra minutes when the results are so rewarding?

Some women get so adept, so quick at the process, they've even taken to mixing two or even three shades to achieve a subtlety in color not otherwise possible.

You'll find the color younger, fresher, even more lustrous than you hoped. So healthy-looking, too, with that lovely light-catching quality you'd expect to find only in the soft, silky tones of a child's hair.

Isn't it wonderful to know that you can accomplish this much for yourself with so little effort and expense!

Try Miss Clairol Creme Formula. You'll see!

Perfectionist's application for rich color
And complete gray coverage
© 1982 Clairol Inc.
MISS CLAIROL

Miss Clairol Creme Formula
The perfectionist's haircolor.

Clairol's long-term success in hair care market is unrivalled yet dominant share is beginning to slip.

single budget for any hair care brand, according to Gage Heath, hair care marketing manager, the budget is $12 million. Advertising broke August 11.

"People with oily hair represent the largest category of the market, about 19%. This brand is positioned against that category, aimed at both male and female users," Heath said.

"No other brand has solely targeted oily hair. All others have simply added oily hair products. And that's only because they wanted to be able to get more shelf space," Heath said.

"For Oily Hair Only is a breakthrough product," Heath explained, "because unlike most other oily hair shampoos, it contains an European herb to break up the oil faster. Yet the product also contains detergent, an ingredient of most heavy duty shampoos.

"We think that this product is gentle but also cleans very thoroughly," she said. "We have found that half of those who use oily hair shampoos then need to use a conditioner because the shampoo is so harsh. That really undoes what the shampoo has done. We also are marketing a For Oily Hair Only conditioner but we think that it acts in conjuction with the more gentle shampoo," she added. "We have done extensive consumer testing and we think that this product will really keep the hair cleaner," Heath noted.

To introduce the product, Gillette is using saleable samples before the product breaks. In addition, it is dropping coupons in free standing inserts.

The television budget is a mixed plan of prime and day plus some spot on the West Coast, Heath said.

Both male and female magazines are being used because of the product's audience.

The brand's $12 million is an addition to Gillette's overall hair care budget, which this year is over $40 million.

However, Gillette last year shaved ad dollars for Tame creme rinse, Toni home permanent and Adorn Hair Spray. The cutback for the three brands was $3 million.

Despite those decreases, Toni, the pioneer brand in home permanents, still leads the category though Rave offers strong competition. Adorn has done well against Clairol's Final Net.

Silkience has performed remarkably well with some help from a $17 million budget for the conditioner, shampoo and deep conditioner. It rivals Flex for the lead in conditioners but has not done as well in the shampoo market.

Silkience's calling card claims it cleans and conditions only in needed spots. But sources say that all conditioners work on the same principle.

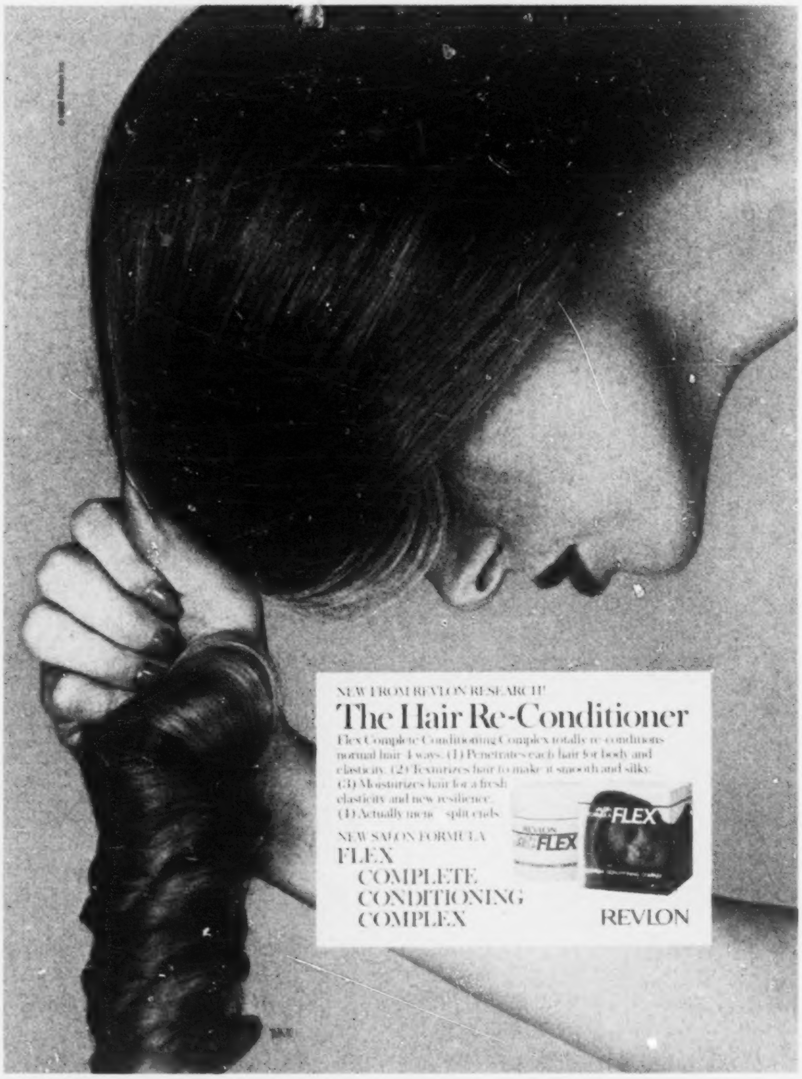
Like most other hair care marketers, Gillette spends almost all ad dollars on network television, with minimal amounts in spot and magazines.

S.C. Johnson

S.C. Johnson increased the budget for its shampoo/conditioner, Agree, by 42% last year, bringing total spending for the six-year-old brand to $13 million. A more recently introduced shampoo/conditioner, Enhance, also benefited from a budget increase of 30%, to more than $6 million.

Gus Priemer, S.C. Johnson's director of advertising, did not explain why spending for both brands was boosted, pointing to intense competition as a reason.

S.C. Johnson splits its media dollars into more widely mixed media than do its competitors. Some 32% of Enhance's dollars are spent in magazines, compared to an estimated average of 11% by most other brands.


NEW FROM REVLON RESEARCH!

The Hair Re-Conditioner

Flex Complete Conditioning Complex totally re-conditions normal hair 4 ways. (1) Penetrates each hair for body and elasticity. (2) Texturizes hair to make it smooth and silky. (3) Moisturizes hair for a fresh elasticity and new resilience. (4) Actually mends split ends.

NEW SALON FORMULA
FLEX
COMPLETE
CONDITIONING
COMPLEX

REVLON

Flex Complete Conditioner introduced in July. Sales for Flex line were up 6% in 1981.

"When you are striving for effective reach, a single medium tends to peak out in delivering efficient messages. In television, if you add beyond to the heaviest quintile, there is a lot of waste," explained Priemer.

S.C. Johnson uses cable on a minor scale. But Priemer says he is more preoccupied with the percentage of his budget in major media. S.C. Johnson spends less in network television than other hair care marketers. Yet 75% of Agree's budget and 50% of Enhance's budget is in network television. An additional 15% is slated for spot television.

Revlon

Revlon increased spending significantly for major hair care line, Flex, in 1982 buoyed by several product introductions and a large promotional tie-in this fall with Chrysler.

The new products are extensions of Flex' established — yet still growing — line of shampoos and conditioners. Flex Net Hair spray, an aerosol, is being introduced in late summer and Flex Complete Conditioner, was introduced in July.

Despite onslaughts from P&G's Pert and Gillette's Silkience, Flex has held up well in the market. Sales were up 6% in 1981.

Neil Katz, senior vp-marketing Revlon, credits the brand's staying power to the products unique qualities.

"We have a product that's unique because it appeals to both families and young people. It has unique positioning because of the beauty association with Revlon. The product also has a good price/quality relationship," Katz said.

Flex shampoo is the number one shampoo, discounting medicated shampoos, which is led by P&G's Head & Shoulders. And Flex conditioner is battling to retain its spot as leader in hair conditioners.

Revlon spends about 26% of the Flex budget in magazines, more than most other brands. Yet it is still adding to the magazine list.

Revlon this year added several women's service books. They support its two new brands, which have an older skew. Revlon continues to use fashion-oriented women's magazines to advertise Flex shampoo and conditioner, both younger brands, according to Katz.

Revlon spends an additional 40% in network television and 34% in spot, using a combination of primetime, fringe and soap operas. A new television campaign this year positions Flex for hair damaged from tough-to-keep fashionable hair styles.

Revlon supplements television with Spanish International Network.

"The Spanish community is a different culture and it is necessary for us to reach them using their own language," Katz said. "We get a high percentage of use from the Spanish and black community." Newspaper supplements are used to drop coupons. Revlon also advertises on teen-age radio.

Revlon is kicking off a large promotional campaign this summer, as part of its usual back-to-school promotions. The promotion is supported by $2.5 million in advertising. Media include the traditional avenues plus a broader print schedule incorporating *Life* and *People*.

The promotion is a tie-in with Chrysler Corporation. Fifty winners in a sweepstakes contest will be awarded

Raquel Welch and Princess Diana displayed their often copied hairdos on covers of *Life* and *Time* respectively.

Chrysler's new sporty pickup, Rampage.

Katz admits that the promotion is unusual for a hair care marketer. But he notes that both Rampage and Flex share the same target audience — 18-34.

Top company spenders in 1981

Procter & Gamble	$48.5 million
Clairol	$40.8 million
Gillette	$32.6 million
S.C. Johnson	$18.9 million
Revlon	$7.9 million
Alberto Culver	$13.1 million

Vidal Sassoon

If any brand has a reputation for bringing designer names to a market, it's Vidal Sassoon.

Formulated by an internationally recognized hair care authority, it was sold only professionally, until 1977.

Vidal Sassoon's designer name has helped it to earn a reputation as a premium product. The brand is premium priced too. Sales are slightly down in the recessionary economy.

"We have really tried to remain different from the other hair care brands. I think that our advertising platform is unique. We use such a wide variety of media that are not typically used by hair care marketers. I would like to broaden our use of media," said Laurance Taylor, senior vp-advertising/creative services.

Advertising for the brand in 1981 is $10.5 million, a 19% increase over the preceding year, Taylor said.

Network television takes the bulk of the spending. Vidal Sassoon uses primetime and *Good Morning America*. Shows it favors are *Dallas*, *Dynasty*, *Love Boat*, and *Hart to Hart*. Spot television is about 10% of the overall budget. Times used are early and late fringe.

Vidal Sassoon also advertises in *Vogue*, *Harper's Bazaar*, *Teen Mademoiselle*, and *Seventeen*.

The brand also advertises in *W* and *Interview* for high visibility and glamour, Taylor said.

To reach men, who make up about 20% of sales, Vidal Sassoon advertises in *Gentleman's Quarterly*, *Esquire* and *Playboy's* fashion guides.

Taylor says response, measured by reader cards, to the *Playboy* ads was particularly good. "The amount of letters we got was staggering," he said.

Vidal Sassoon spends $200,000 in bus shelter advertising in two markets, New York and Los Angeles. "These bus shelter ads have worked tremendously well and we hope to expand into other markets as the bus shelter programs become more sophisticated," Taylor said.

Top advertised brands in 1981

Head & Shoulders	$17.7 million
Silkience	$17.3 million
Prell	$9.9 million
Rave	$9.9 million
Jhirmack	$8.6 million
Vidal Sassoon	$7.5 million
Nice n Easy	$7.3 million
Agree	$6.9 million
Loving Care	$6.9 million
Preference	$6.9 million

An amount equalling 5 to 7% of its overall sales represents Sassoon's co-op program.

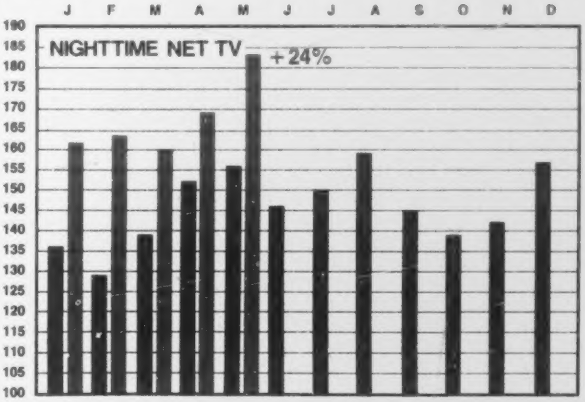
In addition, Vidal Sassoon has been experimenting with cable television.

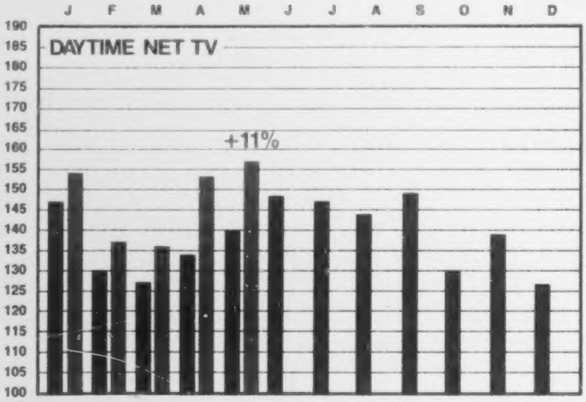
The brand's target is women 18-49 with incomes of over $20,000, Taylor said. To reach a sub-category of target, women 18-24, Vidal Sassoon goes for increased frequency, using contemporary, album-oriented stations.

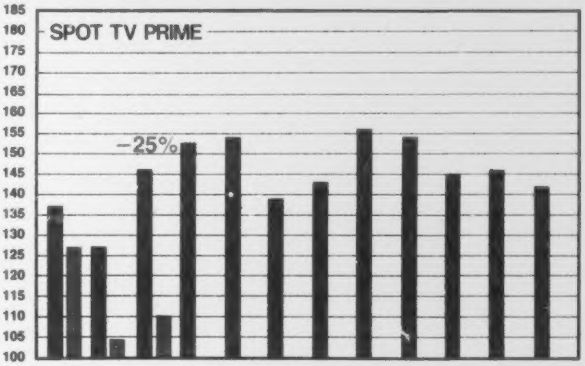
Rebecca Fannin

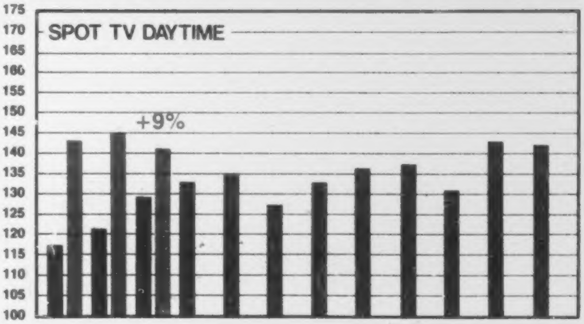
MEDIA COST INDEX

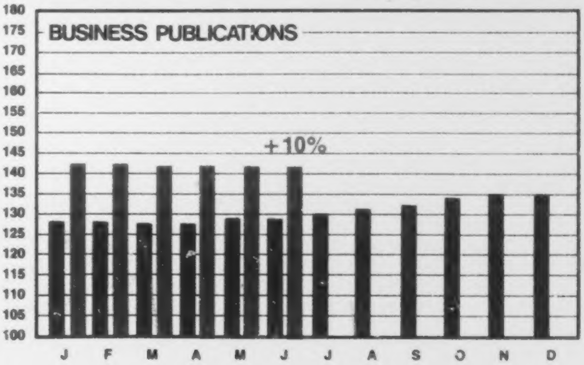
Black bars index for 1981; red bars 1982; base year 1977











Network tv prices rose in April and May 1982 considerably ahead of last year. The daytime net index jumped to 153 in May and then to 157 in June, indicating that prices were 53% and 57% respectively higher than in the base year 1977. Compared to same months in the previous year, they were up 11%. Nighttime net indexes rose to 169 in May and then to 183 in June (69% and 83% respectively higher than in the base year 1977). Nighttime net costs in June 1982 were up 24% over June 1981.

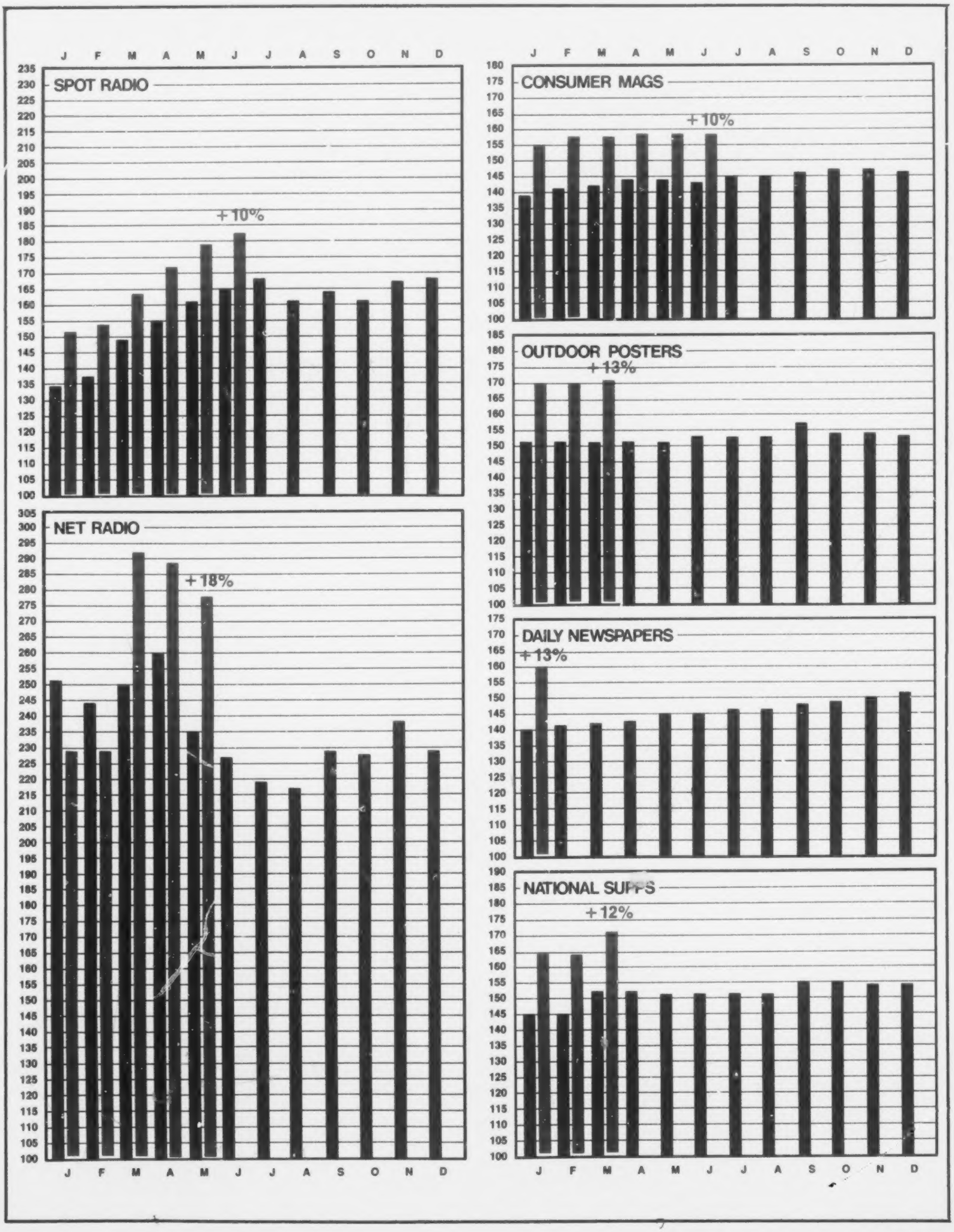
Network radio also showed considerable strength in April and May of 1982 — at index 288 in April (188% higher than in the base year 1977 — and at index 277 in May), 177% over the base year 1977, which represented a relative low for network radio. Compared to same months in 1981, May 1982 was up 31%.

Consumer magazines continued to price themselves 10% above previous months in 1981 through June 1982, Magazines were at index 158 in June — a level 58% higher than in the base year 1977.

The Media Cost Index reflects reported trends extracted from available published sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled. Sources: **Nighttime Network TV** — cost per average 30-second spot 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Report Network TV Service. **Daytime Network TV** — cost per average 30-second spot 10 a.m.-4:30 p.m. Monday-Friday from Broadcast Advertisers Report Network TV Service. **Network Radio** — cost per average 30-second radio announcement from Broadcast Advertisers Report Network Radio Service. Index 100 for Nighttime network tv, daytime network tv and network radio are for each month in 1977. **Spot radio** estimates are based on SRDS cost of one minute on one station per market in the top 50 RADI markets. **Consumer magazine** estimate based on reported SRDS cost of page, 4-color in 40 national consumer magazines based revenue, as reported by MPA. **National Supplements** estimates based on reported SRDS cost of page, 4-color for three national supps. **Daily Newspaper** estimates based on Newspaper Advertising Bureau report of SRDS costs per agate line of a stratified sample of 155 newspapers. **Business Publication** estimates based on reported SRDS cost of a page, 4-color for 48 magazines representing 42 business and professional classifications. **Outdoor Posters** based on estimates prepared by F.R. Cawl & Assoc. **HOW TO READ:** Media Cost Index reflects latest available cost compared to base of average year 1977. Percent change reflects annual rate of change and is based on latest available month costs compared to same month in previous year.

MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977



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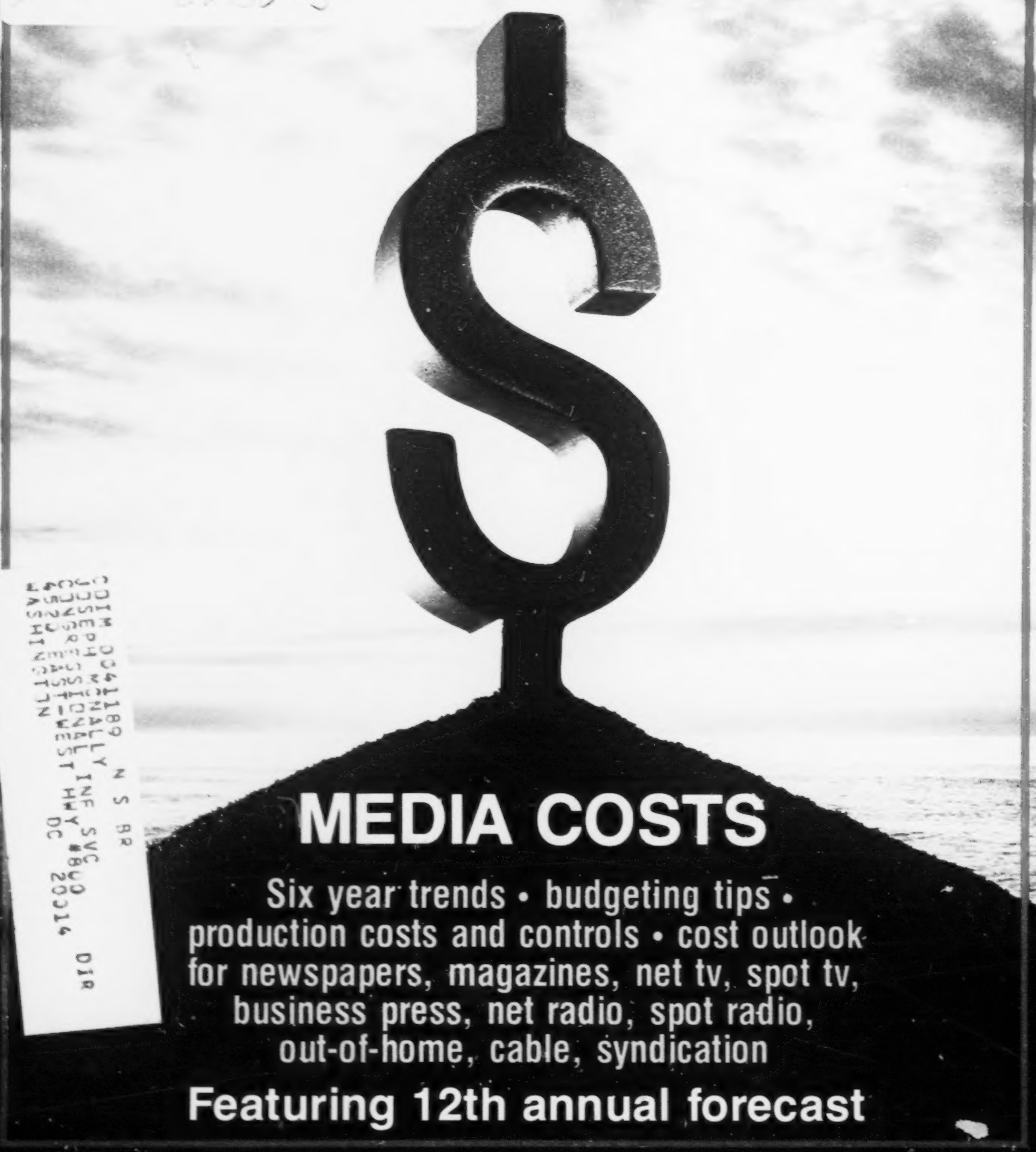

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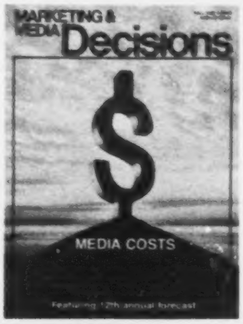
MEDIA COSTS

Six year trends • budgeting tips • production costs and controls • cost outlook for newspapers, magazines, net tv, spot tv, business press, net radio, spot radio, out-of-home, cable, syndication

Featuring 12th annual forecast



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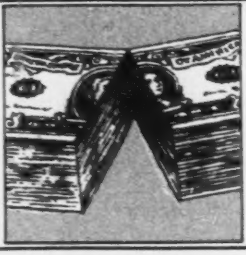

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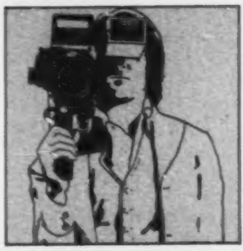

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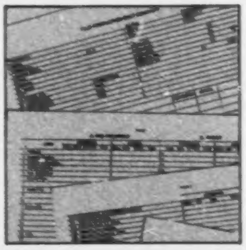

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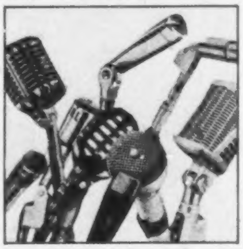

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Costs of 30-sheet posters have more than doubled in last 10 years. But outdoor budgets are developing much faster than that to include new, more expensive, more effective forms of outdoor.

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First-time report of how largest categories of consumer advertisers allocate advertising dollars. Based on Decisions' Top 200 Advertised Brands report. Also budgeting of lesser brands.

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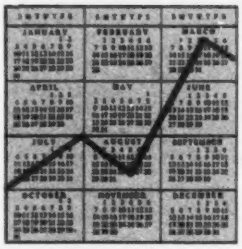

Seasonal variations in budgeting
Includes two aspects of seasonality: (1) When ad budgets are prepared and set; (2) Time of year that advertisers heavy-up in tv, newspapers, radio and magazines.

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MEDIA COSTS

Forecast for '83

Unit cost for average national advertiser will rise 9.1% in calendar year 1983. This is top-line finding of 12th Annual Media Cost Forecast developed by *Decisions*. Other elements of report include estimates of audience and changes in cpm's in each of 10 major national media.

A panel of distiguished media directors and media research directors in large agencies has for the 12th time given *Decisions* their view of cost changes in media in the year ahead.

They expect a 9.1% increase in unit costs for the average national advertiser in calendar year 1983. This is an even steeper cost rise than they say is occuring currently in calendar year 1982 unit costs compared to 1981.

Cost increases in each of the ten major media markets covered in this report vary above and below that 9.1%, and increasing costs for an individual advertiser would be expected to vary to a lesser or greater extent depending on which media he uses most extensively. But the average national advertiser will have to increase his budget next year 9.1% in order to match the media units he bought in 1982.

Unfortunately cost rises of this dimension have been constant every year since 1970. Taking media costs in 1970 as Index 100, the Index for 1983 stands at 299 — a 199% increase in 13 years.

The *Decisions* panel also estimated the extent to which audiences would change in the year ahead — and, based on that, the increase/decrease in cost per thousands (cpm's). In previous reports, there have always been substantial audience increases to partially offset the unit cost hikes — and also to position cpm's with lower hikes than unit costs. Next year for the first time that will not be the case. While unit costs for the average advertiser will rise 9.1%, audience will decrease by 0.5% — pushing cpm's up to 9.6%.

The decrease in audience is principally in television segments, the media that consume 58% of national budgets, generated by the inroads of cable, satellite, video games, tv cassettes and other non-traditional uses of tv sets in homes. How this will affect budgeting and media pricing in the future remains to be seen.

The estimates of cost change in the individual media are as follows:

Nighttime network tv will show in 1983 the largest price increases of all the major media — up 10.7% in unit cost, almost a percentage point higher than in the previous year. This is in spite of the fact that nighttime network is expected to be hardest hit by shrinking audiences — estimated at 1.6% lower next year. Furthermore, the panel expects cpm's in this medium to go up a whopping 11.8%, more than for any other medium.

There was considerable variation in the estimates turned in by individual members of the *Decisions* panel. These are documented in one of the accompanying tables, ranging all the way from increase in cpm's from plus 7% to plus 18%. These wide differences doubtless reflect the recent varied successes of network negotiators seeking programs of varied popularity.

Daytime network tv is expected to make more modest demands in terms of price increases, but still considerably ahead of the previous year. Unit costs in 1983 up 8.5%, cpm's up 9.4%. This compares with 1982 increase of 7% in unit cost and 7.4% in cpm.

Decisions panelists last year predicted that daytime net tv costs would go up a lot more this year than they did. Hopefully, the current prediction is again overly pessimistic.

Spot tv prices in 1983 will change just about as much as daytime net, according to the *Decisions* panel: Unit costs up 8.5%, cpm's up 9.4%. These changes will mirror those reported currently for 1982, with one exception. The expectation is for spot as well as network audience to trend downward next year, pushing cpm's up a lot more than the cost of the units.

Range in forecasts for spot were even wider than for nighttime network tv, indicating a year of insecurity for big agency negotiators. The state of the economy and of many big advertiser budgets is less than solid, leaving some forecasters quite optimistic about their bargaining power in the year ahead, some very pessimistic.

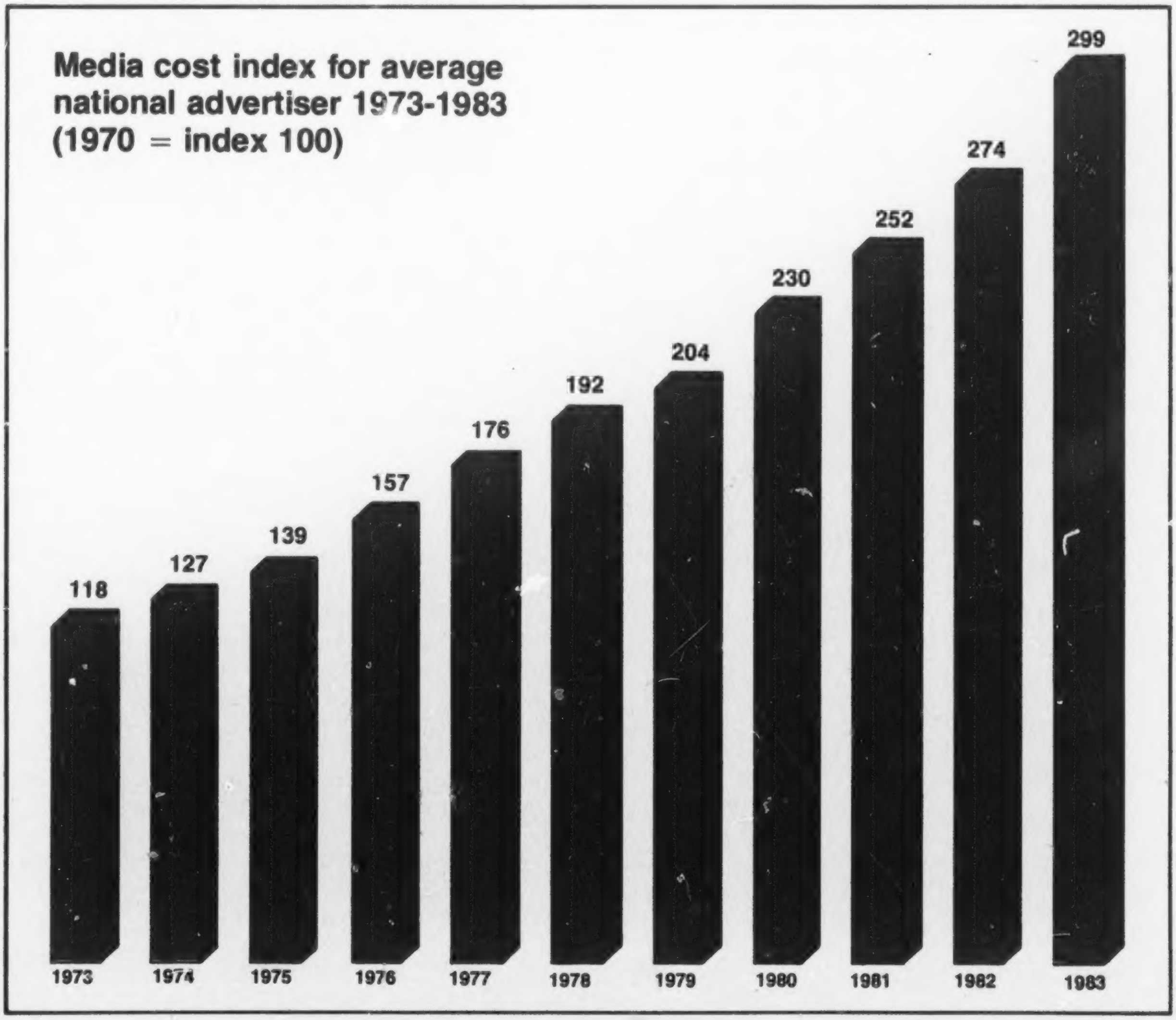
Network radio, which has shown considerable strength recently, is expected to rise 8.7% in unit cost, somewhat less than that in cpm — plus 8.0%. The forecasters see radio audiences gaining another 1%.

Spot radio unit prices, audience and cpm's will move up more slowly than network radio: unit prices, plus 8.4%; audience, plus 0.8%; cost per thousand, plus 7.3%. Rate of increase in both spot and network radio in 1983 will be about one percentage point more severe than in 1982.

Consumer magazines in both 1982 and 1983 reflect their present popularity among national advertisers in strong pricing. Unit prices of consumer magazines are up 9.3% in 1982 and will rise another 9.0% in 1983. Audiences continue to grow by about 1% a year. Cpm's rose 9.2% in 1982 and will rise another 8.9% in 1983.

A factor in this overall price advance for consumer magazines is the growth of special audience books in number and share of the magazine advertiser's dollars. The rates and cpm's of the more specialized books tend to be higher. But advertisers are apparently more willing to build-up their investments in them in order to reach the pinpointed target audiences they offer.

Consumer magazine prices would be going up a lot faster than they are if



it were not for revised audience-building tactics of many of the larger books. They have reduced the amount of money put into audience promotion, allowing circulations to fall back to more normal levels. They have also raised newsstand prices and circulation rates faster, in some cases, than advertising rates. These moves have also tended to keep ad rates well in line during the inflationary years. They have also tended to make audiences of specialized books more selective and valuable to national advertisers.

Sunday supps will price their units 8.9% higher in 1983, following a year in which they moved unit costs up 9.5%. Circulations rose about 1% last year, but will almost level off in 1983. The resulting cpm's will be up 9.0% in 1982, and up an additional 8.4% in 1983.

Daily newspapers will show the second highest unit cost rise in 1983 — up 9.6%, the *Decisions* panel predicts. This will be accompanied by a small loss in total circulation, making the cost per thousand rise also the second highest of the major media for 1983 — up 9.9%. Daily newspaper and nighttime network tv are the two major media in which national advertiser costs in 1983 will be above the average of 9.1%. Together, they account for 36% of national advertising volume, but their higher-than-average cost rises are not expected to deter use of either medium. In the case of newspapers, national advertisers will take a closer look at diverting more dollars into co-op advertising programs in order to move their newspaper investments into the much lower local rate columns.

This is the second year for newspapers to be more aggressive than most other national media in raising rates. In 1982 unit cost were up 9.4% and cpm's up 9.3%, while total audience moved up 0.6%, according to the estimates of *Decisions* panelists.

Outdoor posters will show a unit cost increase of 8.5% in 1983, which, with a 1.0% increase in audience, will produce +7.4% in cpm's. This carries forward a similar picture for 1982, when unit costs rose 8.7%, audiences were up 1.2%, and cpm's were up 7.9%. It is worth noting that drastic reductions in outdoor audiences predicted each time a gas shortage ap-

Anticipated media cost rises 1983 vs. 1982

	unit cost	audience	cpm
Average increases			
Nighttime network tv	+10.7%	−1.6%	+11.8%
Daytime network tv	+ 8.5	−0.7	+ 9.4
Spot tv	+ 8.5	−0.3	+ 9.4
Network radio	+ 8.7	+1.0	+ 8.0
Spot radio	+ 8.4	+0.8	+ 7.3
Consumer magazines	+ 9.0	+0.1	+ 8.9
Sunday supps	+ 8.9	+0.3	+ 8.4
Daily newspapers	+ 9.6	−0.3	+ 9.9
Outdoor posters	+ 8.5	+1.0	+ 7.4
Business publications	+ 8.5	+0.3	+ 8.5
Range in forecasts (the highs and lows)			
Nighttime network tv	+5 – +15%	−5 – +2%	+7 – +18%
Daytime network tv	+4 – +12	−3 – +2	+5 – +14
Spot tv	+1 – +16	−5 – +2	+5 – +12
Network radio	+2 – +15	0 – +3	+2 – +12
Spot radio	+5 – +13	0 +2.1	+4 – +12
Consumer magazines	+5 – +11	−2 – +2	+5 – +11
Sunday supps	+4 – +14	−2 – +3	+1 – +13
Daily newspapers	+4 – +14	−5 – +2	+5 – +17
Outdoor posters	+4 – +14	0 – +3	+2 – +10.5
Business publications	+7 – +11	−0.5 – +2	+7 – +12

Current media cost rises: 1982 vs. 1981

	unit cost	audience	cpm
Average increases			
Nighttime network tv	+9.8%	−1.2%	+11.1%
Daytime network tv	+7.0	−0.4	+ 7.4
Spot tv	+8.5	−0.1	+ 8.6
Network radio	+8.0	+1.4	+ 7.1
Spot radio	+7.4	+1.2	+ 6.4
Consumer magazines	+9.3	+0.7	+ 9.2
Sunday supps	+9.5	+1.1	+ 9.0
Daily newspapers	+9.4	+0.6	+ 9.3
Outdoor posters	+8.7	+1.2	+ 7.9
Business publications	+9.1	+0.7	+ 8.9
Range in forecasts (the highs and lows)			
Nighttime network tv	+5 – +16%	0 – + 3%	+7 – +14%
Daytime network tv	−2 – +10	−8 – + 8	+5 – +10
Spot tv	+4 – +12	−4 – + 4	+5 – +12
Network radio	+2 – +12	0 – + 8	+2 – +11
Spot radio	+3 – +11	0 – + 8	0 – +10
Consumer magazines	+7 – +11	−2 + 10	+5 – +11
Sunday supps	+3 – +14	−1 – +13	0 – + 13
Daily newspapers	+5 – +14	−1 – +10	+1 – +14
Outdoor posters	+5 – +11	0 – + 9	+4 – +11
Business publications	+7 – +12	−1 – + 7	+7 – +12

Source: Decisions survey among leading advertising agencies

peared did not actually occur. The outdoor business continued to thrive and prices continued to rise. It's a safe bet they will contiue to keep pace with mediaflation throughout the business.

Future outdoor costs will be affected in particular by improvements in the medium. A growing factor is backlighting — more expensive but infinitely more effective. Another is new methods in blowing up photographic material that can be mounted on backlighted boards.

Business publications, with minimal growth expected in total audience, will up both their unit costs and cpm's 8.5% in 1983. This follows a 9.1% increase in unit costs and an 8.9% rise in cpm's in 1982.

The business publishers are subject to the same uncontrollable rises in paper and printing as are other print media. The postal rises, however, are a more significant problem to the business press than to others, because they have virtually no newsstand circulation.

The long-term trend charts, see page 36, do not include the track record for business publications to the extent that we have developed that record over the years. Here is our long-term index (with 1970 as Index 100):

Year	Index
1960	60
1961	62
1962	67
1963	70
1964	73
1965	77
1966	81
1967	84
1968	91
1969	96
1970	100
1971	108
1972	119
1973	125
1974	130
1975	139
1976	155
1977	165
1978	177
1979	192
1980	210
1981	229
1982	250
1983	271

Business publications over the years have been able to hold their cost increases to moderate jumps in spite of all the advances in costs experienced by other print media. Paper, printing, postage and people costs keep escalating for the business press publishers — just like for everybody else. Most of them distribute their copies via controlled circulation, and in recent years they have been increasingly strict in deciding who will get on the list.

How good are these estimates?

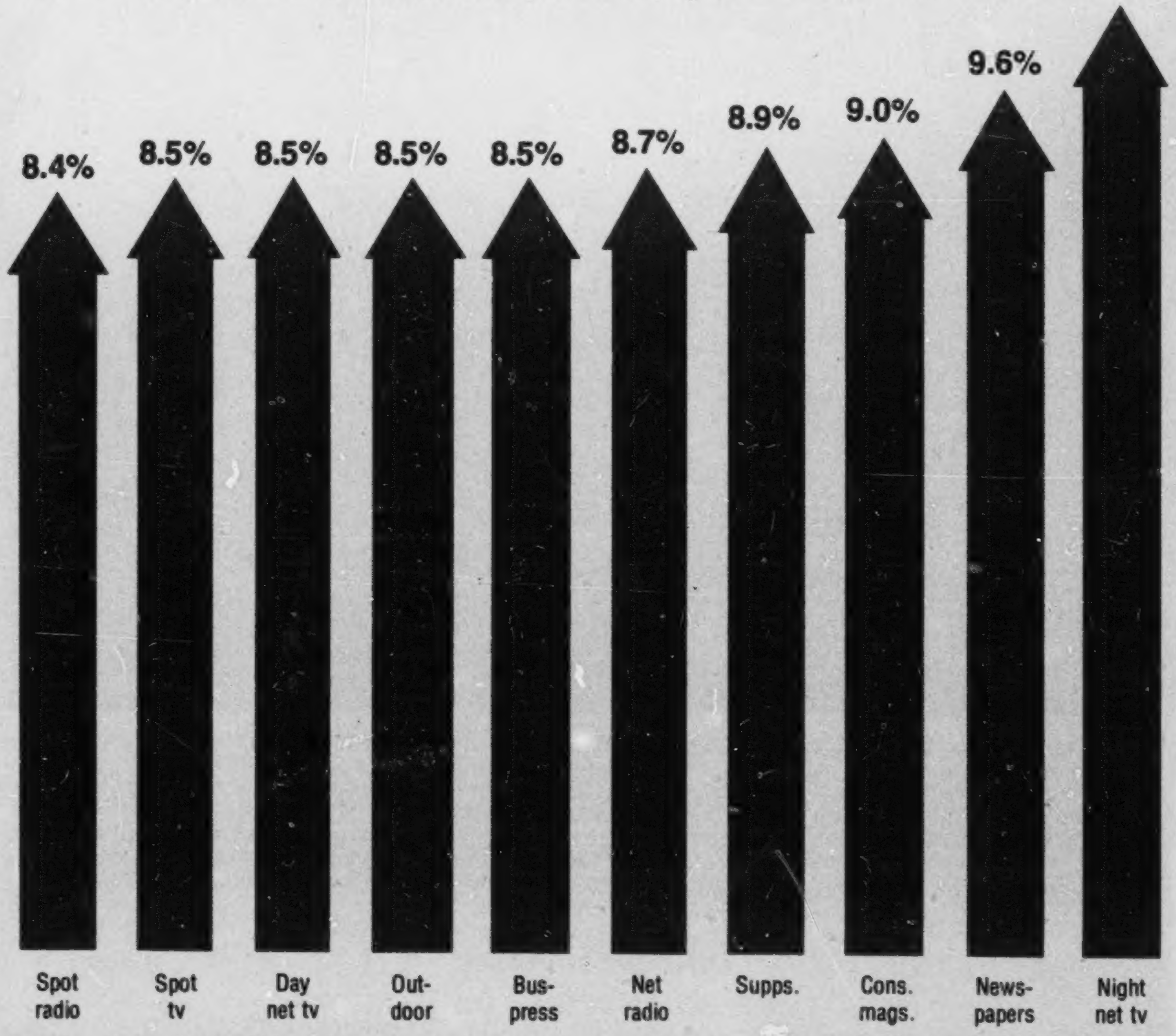
We are often asked about the reliability of these reports. The following table shows the predictions we made for 1982 in August of 1981, compared to the actual unit cost picture as reported currently for each of the media.

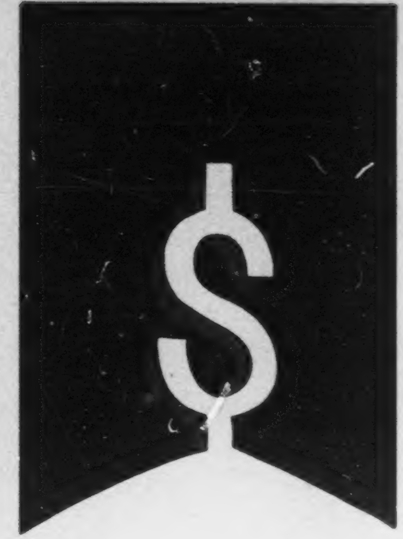
	predicted last year	actual this year
Night net tv	+11%	+9.8%
Day net tv	+8.4	+7.0
Spot tv	+8.9	+8.5
Net radio	+8.5	+8.0
Spot radio	+7.6	+7.4
Magazines	+10.0	+9.3
Supps	+9.1	+9.5
Newspapers	+9.1	+9.4
Outdoor	+8.3	+8.7
Bus. pubs.	+9.2	+9.1

This does not appear to be too far off. As might be expected, the estimates made by the *Decisions* panel for the negotiated media show the widest spreads. The forecasters in August 1981 tended to estimate larger cost increases than what actually developed for those media. In the case of print, the estimates tended to be a few fractions of percentage points lower.

These estimates are used extensively by advertising agencies in developing their recommended budgets to clients for the following year. We feel sure that the panelists who contribute to this composite report do their level best to create an honest estimate. The uncertain aspects of the business climate this year has made the estimators somewhat cautious, but we have a long enough track record with these reports to believe the outcome. ■

% unit cost rises forecast for each major medium in 1983





The media track record

Joyce Romley, media research supervisor, Ted Bates, tracks media prices in each of the major media since 1970. Mediaflation is still continuous through 1982.

Ted Bates Advertising/New York has for some time prepared an annual media cost trend analysis. This particular study, with trend purposes in mind, tracks advertising expenditures, unit costs, audiences, and cost efficiences (cpm's) from 1970 through 1981.

A review of the past trends in measured economic indicators (CPI/GNP) provide a benchmark for our analysis. In the past we have identified 1976-79 as the "boom years," which serves as the immediate background to the '80's. However, our attention will focus on the early '80's, a period where government efforts to moderate the inflationary spiral appear to be taking hold.

A reappearance of single digit inflation in cpm's is occurring at this time for all nine media elements analyzed. The Consumer Price Index (CPI), an accepted measurement of the trend of inflation, will be used as a yardstick with which to compare increases in media efficiencies. Finally, we will provide forecasts of media efficiency increases for 1982.

The "Boom Years" 1976-1979

During this period there was generally a dramatic increase in cpm's across all media, especially in tv. On a cpm basis, the three tv elements demonstrated the following annual average percent increases: day network tv was up 17%, evening network tv increased 14%, and spot tv increased 10%. In contrast, the CPI accelerated at an 8% annual rate during this same period.

This clearly indicates that the television medium increased costs at rates

Ad Volume and Gross National Product

	Ad volume		GNP		
Year	Millions	Yr. to Yr. % Change	Billions	Yr. to Yr. % Change	Ad volume as % of GNP
1976	$33,690	+20	$1,718.0	+11	1.96
1977	37,920	+13	1,918.0	+12	1.98
1978	43,950	+16	2,156.1	+12	2.04
1979	49,520	+13	2,413.9	+12	2.05
1980	54,680	+10	2,626.1	+ 9	2.08
1981	61,650	+13	2,917.0	+11	2.11
1982 (est.)	68,500	+11	3,220.0	+10	2.13

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far exceeding growth of inflation during these four years, while all other media analyzed closely paralleled the CPI increases.

Ad volume performance

During these "boom years" the growth in total annual advertising investments exceeded the growth in gross national product (15% vs. 12%). For 1980 and 1981 a similar trend is occurring — an average 11.5% increase for ad volume vs. 10% for the GNP.

Cost trends 1970-1982 (1970 = index 100)

	Day net tv	Eve net tv	Spot tv	Magazines	Newspapers	Supplements	Spot radio	Net radio	Outdoor	Consumer price index
UNIT COST TRENDS										
1970	100	100	100	100	100	100	100	100	100	100
1971	94	96	102	100	104	99	106	111	108	104
1972	98	109	95	97	107	102	112	117	119	108
1973	113	124	95	97	114	109	119	119	123	114
1974	121	137	100	102	130	121	124	117	134	127
1975	140	147	102	107	144	131	132	123	144	139
1976	163	160	130	110	159	135	151	129	156	147
1977	204	203	137	119	173	156	166	148	172	156
1978	227	228	140	130	190	168	179	159	191	168
1979	247	256	160	140	205	183	193	171	212	190
1980	279	300	179	156	226	201	213	195	237	214
1981	288	306	188	169	250	220	234	232	262	234
1982 (est.)	302	330	197	180	274	242	253	255	285	251
AUDIENCE TRENDS										
1970	100	100	100	100	100	100	100	100	100	
1971	107	103	104	99	100	98	104	112	104	
1972	116	110	103	97	101	99	104	132	107	
1973	119	111	105	98	102	102	111	134	108	
1974	115	112	108	99	100	104	113	132	108	
1975	127	120	110	97	98	108	114	136	110	
1976	119	120	112	97	98	108	117	130	111	
1977	116	121	112	96	99	106	119	136	112	
1978	119	125	115	96	100	112	121	138	113	
1979	123	125	121	96	100	112	124	139	113	
1980	126	128	125	96	101	113	128	151	115	
1981	121	123	125	97	102	113	131	166	115	
1982 (est.)	121	123	125	97	103	114	133	168	117	
COST-PER-THOUSAND TRENDS										
1970	100	100	100	100	100	100	100	100	100	100
1971	87	93	98	101	104	101	102	99	104	104
1972	84	99	92	100	107	103	108	89	111	108
1973	95	111	91	99	112	107	108	89	114	114
1974	105	120	93	103	130	116	109	89	123	127
1975	110	122	93	111	147	121	115	90	131	139
1976	137	133	116	113	161	125	129	99	140	147
1977	177	167	122	123	175	148	140	108	153	156
1978	191	182	122	135	190	150	148	116	169	168
1979	200	205	133	146	205	163	155	123	188	190
1980	222	232	144	162	224	178	166	129	208	214
1981	239	248	150	174	244	195	178	139	228	234
1982 (est.)	250	267	158	184	266	212	190	151	244	251

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In 1960 the ad volume percentage of the GNP peaked at 2.36. Thereafter, throughout the '60's and early '70's a gradual decline occurred. However, in 1975 after dropping to 1.81, a reversal of this trend began, coinciding incidentally with the onset of the "boom years." This upward trend has continued through 1981, and our estimate for 1982 is 2.13.

In 1981 national advertising expenditures totaled over $17 billion which accounts for 28% of *total* advertising volume. This relationship has been uniform since the onset of the "boom years" (1976-1979).

Start of "dis-inflation" in 1981

In 1981 the industry has experienced a return of single digit cpm increases across all nine media elements analyzed — the first time this occurred since the early '70's. In fact, no cpm increases for any media element exceeded the 9% CPI growth rate during this year.

Interesting, both network and spot tv cpm's increased at roughly half the rates exhibited during the "boom years" and 1980. On the other hand, radio, print and outdoor have maintained single digit increases comparable to those experienced during this same base period.

Network radio, however, exhibits a unique pattern in that it experienced an 8% cpm increase during 1981 compared to only a 5% increase the previ-

National as percent of total ad volume

	Total (millions)	National (millions)	National as a % of total
1976	$33,690	$ 9,308	28%
1977	37,920	10,604	28
1978	43,950	12,199	28
1979	49,520	13,862	28
1980	54,680	15,260	28
1981	61,650	17,155	28

Percent average yearly increases in CPM

	76-79	1980	1981	1982*
Broadcast				
Day net tv	17%	11%	7%	5%
Eve net tv	14	14	7	8
Spot tv	10	8	5	5
Net radio	8	5	8	9
Spot radio	8	7	7	7
Print				
Magazines	7	11	7	6
Supplements	8	9	9	9
Newspapers	9	9	9	9
Outdoor				
Posters	9	11	9	7
CPI	8	12	9	7

---

*Projections

National dollar expenditure trends 1970-1981

	Network tv	Spot tv	Magazines	Newspapers/ supplements	Radio	Outdoor
1970	100	100	100	100	100	100
1971	96	93	106	111	107	112
1972	109	107	111	124	111	125
1973	119	112	112	125	110	130
1974	129	121	116	134	111	132
1975	139	132	113	137	122	143
1976	172	175	138	169	145	164
1977	209	179	167	188	159	188
1978	240	209	201	201	179	199
1979	277	233	227	254	193	231
1980	309	265	250	272	219	244
1981	334	300	271	318	253	256

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Mediaflation In "Boom Years" 1976-79

(Percent annual cpm increases)

	1976	1977	1978	1979	1976-1979
Broadcast					
Day net tv	+25	+29	+ 8	+ 5	+17
Eve net tv	+ 8	+26	+ 9	+12	+14
Spot tv	+25	+ 5	± 0	+ 9	+10
Net radio	+10	+ 9	+ 7	+ 6	+ 8
Spot radio	+12	+ 9	+ 5	+ 5	+ 8
Print					
Magazines	+ 2	+ 9	+ 9	+ 8	+ 7
Supplements	+ 3	+19	+ 2	+ 9	+ 8
Newspapers	+10	+ 9	+ 8	+ 9	+ 9
Outdoor					
Posters	+ 6	+ 9	+11	+12	+ 9
Consumer price index	+ 6	+ 7	+ 8	+13	+ 8

ous year. We believe there are two major contributing factors for this rise:

(1) network radio has traditionally operated with a "limited" inventory base

(2) the development of new, narrowly targeted networks has escalated demand for this medium.

Media cost comparisons are important in determining advertising's role in the marketing plan, in developing advertising budgets, and evaluating media alternatives. As media costs rise, media plans must be modified, and each medium has to be reevaluated. Consequently, cpm forecasts play a vital role in the media planning process. Bearing this in mind, we anticipate moderate cpm increases in network tv: 5% for daytime and 8% for evening. Spot tv should increase at the same rate as in 1981 — 5%. Network (9%) and spot radio (7%) should experience similar increases in cpm's as those that occurred in 1981. Magazine (6%) and outdoor 7% CPI growth, while newspapers and supplements should exceed this CPI growth rate with 9% cpm increases. In conclusion, 1982 media costs will *still rise* in spite of economic difficulties — high unemployment, a stagnating GNP, and high interest rates.

If the government is successful in ratcheting down inflation (given the historical correlation between media CPM increases and the CPI), it is probable that this moderating trend in media pricing might be a sustained one bringing with it welcome relief to advertisers.

The tables at the end of this report show trends in index form, with 1970, the base year, indexed at 100. These estimates are based on unit costs of 30 seconds for tv and network radio, 60 seconds for spot radio, one page four-color for magazines, milline black and white for newspapers, one page black and white for supplements and 100 showing for outdoor. Audience levels and cpm's are based on women 18 plus for day network; total persons 2 plus for evening network; tv households for spot tv; persons 12 plus for radio; circulation for magazines, newspapers and supplements; and total population for outdoor. Sources for audience information are: Network and spot tv — A. C. Nielsen; network radio — "RADAR"; spot radio — Arbitron.

Joyce Geller Romley

Seagram's VO
It's in VOGUE®
The book women live by.

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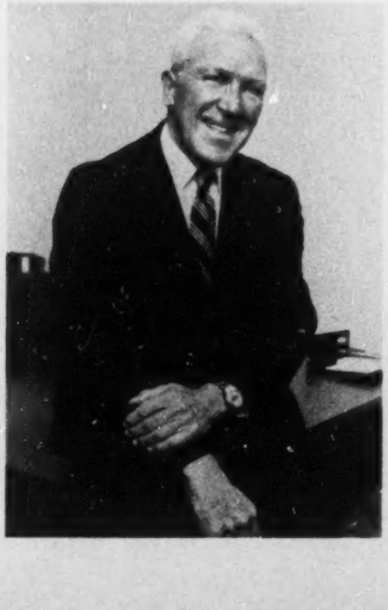
Rate setting for magazines

Magazine consultant James B. Kobak explains how consumer magazines and business publications set their rates. Sprinkled through this veritable text book on publishing are a wealth of ideas for the cost-conscious print media planner and buyer.

In recent years, the magazine industry in general has been quite healthy. There are now more magazines, more magazines with over a million circulation, and more publishers with greater profits than ever before. Prices, for both readers and advertisers, are at their highest levels. Advertising is at a peak.

The current era in magazine publishing is often characterized as based on the rise of the "special interest" magazine. In actual fact, almost all magazines are — and have been — "special interest." *TV Guide*, with its huge circulation, serves a special interest, as do *Good Housekeeping* and *Popular Photography*. General interest magazines are few and might include *Reader's Digest*, *Life*, *People*, and possibly a handful more.



Determining advertising rates

Advertising rates are not set — as some would have you believe — by some all-seeing God in his hideway on top of the mountain. There are two major aspects which come into play:

1. The perceived value of magazine advertising to advertisers and their agencies. The buyer is as much a factor in the setting of rates as is the publisher.
2. The rate which the publisher must have in order to make a profit.

Many factors go into advertisers' determination of the value of magazine advertising. The major ones are:

RESULTS — Only a handful of advertisers can measure actual results from advertising in magazines — or in any other media for that matter. These

"The current era in magazine publishing is often characterized as based on the rise of special interest magazines. In actual fact, almost all magazines have always been special interest media" — Jim Kobak

few are in the direct response business where careful and detailed records are kept of the results of each advertisement. If a profit cannot be earned, the magazine is simply not used again.

AUDIENCE REACHED — Probably the most researched area in the advertising business has to do with the demographics, geographic location and buying habits of magazine audiences. While different advertisers look for different qualities, they all carefully review audience characteristics. The tools used include syndicated research, circulation audits, and private research carried on both by the magazines and the advertisers themselves. In business magazines careful data is kept on the size and nature of the companies involved and the influence of each recipient on buying decisions.

READERSHIP — A good audience is of no value if the magazine is not read. Further research is normally done to prove the amount of time which is spent reading an issue, the number of pass-along readers (which increases the total audience claimed) and the length of time an issue is kept. In business magazines the number of reader service cards filled in by recipients is considered a good indication of the readership of a magazine.

EDITORIAL CLIMATE — The nature of the editorial material is important to most advertisers. For instance, food advertisers may want to be in a magazine which features food. In other cases, such as corporate image advertising, it is important to be in a magazine which has an upscale image.

VITALITY — Various features are considered to be indicators of the vitality of a magazine, such as the amount of single copy sales, circulation trends, price charged for single copies and subscriptions, copies serviced in arrears, difficulty of obtaining new subscribers, renewal rates, and other circulation data. For most consumer magazines much of this data is not readily available, although a few with very strong circulation stories use it to good effect. This type of infomation, of course, does not come into play for controlled business magazines, but can be used for those which are paid. The controlled publications play a different game. They show vitality through the percentage of recipients who have requested the magazine, and how recently those requests were made.

NUMBER OF READERS — For some mass marketers "tonnage," the number of people who see a magazine, is very important. For others it is more important that the right people — and only the right people — see it. This would be most important, of course, with business magazines, but also is true for most special interest consumer magazines.

PAID VS CONTROLLED — Controlled circulation is completely ac-

Magazine industry dynamics
Selected Years 1950-1981

	1981	1980	1970	1960	1950
CONSUMER MAGAZINES					
Number including farm publications	1,541	1,506	1,182	1,005	NA
Advertising in major magazines per year					
Pages (per year)	121,500	115,266	76,924	74,881	67,392
Dollars (millions per year)	$ 3,222	$ 2,374	$1,169	$ 830	$ 397
Circulation per issue					
ABC audited magazines (millions)					
Single copy	87	91	70	62	62
Subscription	203	174	173	128	85
Total	290	265	243	190	147
BUSINESS MAGAZINES					
Number	2,675	2,364	2,376	2,310	1,772
Advertising in major magazines					
Pages (thousands per year)	1,776	1,480	1,093	1,200	750
Dollars (millions per year)	$ 2,156	$ 1,495	$ 836	$ 547	$ 234
Circulation per issue (millions)	70	66.8	62.3	47.6	24.3

Source: Magazine Publishers Association (MPA); American Business Press (ABP); SRDS.

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"For some mass marketers, tonnage is important; for others only that the right people read the magazine" — Jim Kobak

ceptable in the business magazine arena — where only in a few fields is paid circulation considered important. In the consumer field only rarely is controlled circulation acceptable, although a good number of publishers have tried to establish its viability over the years. Airline in-flight magazines have had the most success, probably because of the obviously large readership among business people, as well as the familiarity of advertising and agency people with the magazines. Magazines such as the *Dial*, which is sent to Public Television members, must do special research to convince advertisers that it is read by the recipients.

CLUTTER — Important to some advertisers is the appearance of clutter in magazines which carry lots of advertising. They like their ads to face editorial matter or to be in other important postions.

SIZE OF THE PAGE — Digest-sized magazines cannot command the same price as can standard or larger sized, even though any difference in impact on the reader may be difficult to document.

COMPETITION — In highly competitive fields, such as the women's market, competition among the magazines tends to result in advertising rates substantially lower than those for magazines with relatively similar characteristics in other fields. *Cosmopolitan*, for instance, has a black-and-white cost per thousand under $10, while *Sports Illustrated*, with about the same circulation, is over $15.

COMPETITION WITH OTHER MEDIA — Although comparisons with tv, radio, newspaper and other media are obviously difficult, if not impossible to make, advertisers do compare rates using various formulas whose accuracy is more or less suspect.

PROMOTION AND SALESMANSHIP — In some cases magazines have been able, through creative selling, to develop a certain mystique about their editorial appeal, the nature of the audience, or some other feature, which enables them to charge rates which are higher than one would expect from all the empirical measures which are available.

DOLLARS INVOLVED — An advertiser will consider the rate charged by *Family Circle* at $60,000 or more per page with a great deal more care as to the cost per thousand readers than he will for *Town & Country*, at just $8,500 a page, simply because the numbers involved are so different.

The net of the situation from the advertisers' standpoint is this. Everyone in the business knows that, except for direct response advertising, it is very difficult at best, and probably impossible at worst, to measure the results of advertising or of the specific media used. Buying time or space is a combination of statistical research and subjective judgement, as the list of factors involved indicates.

Despite this, advertisers and agencies have devised very sophisticated techniques and computer programs to take as much of the guesswork out of the process — or at least to insure that certain statistical standards of demographics, buying influences and other semi-measurable items are met before the subjective points can be put in to play. And where magazines are competitive, or seemingly competitive with each other or with other media, great store is placed in the relative "efficiency" of the price which is paid.

Economics of rate setting

To understand the situation of a publisher as he contemplates his advertising rates requires some understanding of the economics of magazine publishing. These economics are somewhat unusual because a magazine has several revenue streams — advertising, subscription, newsstand, and sometimes others — all in one product.

"The most researched area in the advertising business has to do with the demographics, geography and buying habits of magazine audiences" — Jim Kobak

These revenue streams are interdependent. For instance, you cannot consider an increase in the advertising rate base to bring about a higher advertising rate without taking into account the promotion cost involved in obtaining more readers as the price you can get from them. A publisher must keep a delicate balance between his various costs and the value of a reader to advertisers.

Because of the complexity, more than a thousand magazines have made use of the Magazine Publishing Model of Kobak Business Models in doing their forward planning and projections to determine the best course. This computer model encompasses all the income and costs factors in the publishing business and enables publishers to play "what if" games in a very short time at minimum costs.

Factors a Publisher Must Consider

The major factors which determine the advertising rates which a magazine must charge for profitable operations are these:

Consumer magazines ad rate index

	Unit rates	Cost-per thousand	Consumer price index
1970	100	100	100
1977	119	123	156
1978	130	135	[illegible]
1979	140	146	190
1980	156	162	214
1981	173	179	238
1982 (est.)	190	197	252

Source: James B. Kobak.

Magazine cpm rate increases compared to other media

	1970-1977	1977-1982	1970-1982
Consumer magazines	23%	60%	97%
Business magazines	28	34	72
Day net tv	77	41	150
Eve net tv	67	64	174
Spot tv	22	34	64
Newspapers	75	51	164
Supplements	48	43	111
Spot radio	40	36	90
Net radio	8	34	45
Outdoor	53	61	146
Consumer price index	56	62	152

Source: Magazine Publishers Association, Paine Webber/Mitchell Hutchins, Marketing & Media Decisions.

Ease – or difficulty – of obtaining circulation at a good price — Because this complex factor is of great importance, a discussion of circulation economics is in a separate section.

Basic costs of publishing — Publishers must, of course, consider the costs they must pay and the changes which may take place in them. Some 90% of a publisher's expenses are concerned with paper, printing, postage, and other delivery, and salaries, payroll taxes and fringe benefits.

Amount of circulation — Publishing costs can be divided between fixed and variable, as in most any business. The major cost items fall roughly this way:

Fixed

Salaries
Payroll taxes, fringe benefits
Composition and stripping
Color separations
Makeready on the press
Start-up paper waste
Manuscripts, artwork
Office
Occupancy
Other administration

Variable with the amount of circulation

Printing and binding
Ink
Magazine postage
Circulation promotion
Subscription fulfillment
Salesman's commissions

It is obvious that a magazine with a million circulation can spread the fixed

Merrill Lynch
Merrill Lynch Pierce Fenner & Smith Inc

It's in VOGUE®
The book women live by.

"My Ad Paid For Itself In 10 Days."

"I have long believed that the best advertising medium for ARCsoft would be a consumer-oriented, newsstand type computer magazine.

When McGraw-Hill announced Popular Computing, I began advertising in the first issue.

Within 10 days I had recovered my investment. Subsequent orders have convinced me that I can *triple my money* each month with my Popular Computing ad."

Tony Curtis, President
ARCsoft Publishers

POPULARIZE YOUR AD.

Get the full story from your nearest Popular Computing representative. Or call Tom Harvey, Advertising Director, at 603-924-7123.

NATIONAL ADVERTISING SALES REPRESENTATIVES:

NORTHEAST
(617) 262-1160
McGraw-Hill
Publications Co.
607 Boylston Street
Boston, MA 02116

MID ATLANTIC
(203) 359-2860
McGraw-Hill
Publications Co.
300 Broad Street
Stamford, CT 06901

SOUTHEAST
(305) 563-9111
McGraw-Hill
Publications Co.
3000 N.E. 30th Place
Fort Lauderdale, FL 33306

MIDWEST
(312) 751-3700
McGraw-Hill
Publications Co.
Blair Building
645 North Michigan Avenue
Chicago, IL 60611

NORTHWEST
(415) 362-4600
McGraw-Hill
Publications Co.
425 Battery Street
San Francisco, CA 94111

SOUTHWEST
(714) 557-6292
McGraw-Hill
Publications Co.
Building #1, Suite #222
Costa Mesa, CA 92626

POPULAR COMPUTING
McGraw-Hill

P.O. Box 397, Hancock NH 03449

Consumer magazine revenues

	Advertising	Subscriptions	Single copy
1970	64.33%	27.91%	7.76%
1977	55.47	29.59	14.94
1978	53.69	28.67	17.64
1979	52.22	30.41	17.37
1980	51.14	32.67	16.19
1981	51.08	33.30	15.62
1982 (Est.)	51.00	34.00	15.00

Source: Magazine Publishers Association

costs over many more copies than one with 100,000. The advertising rate per thousand, then, can be much lower, even though the absolute rate per page will be higher.

Please also realize that the so-called fixed costs are not as inflexible as they may seem. The million circulation magazine will probably have a larger payroll than the smaller magazine simply because there is more room in the figures to support it — and the risk of failure can be much more expensive.

Physical page size — It goes without saying that the costs of paper, printing and distribution for a digest-size magazine are much smaller than for standard — or larger — size. This is one of the reasons *Reader's Digest* can charge $4.58 per thousand while *Family Circle* is at $7.22. As previously noted, however, it might be hard to argue that the advertiser didn't get the same value despite the difference in page size.

Quality of the Product — The physical product for some magazines, such as *Architectural Digest*, is designed to present a quality image which can command higher circulation and advertising rates. This requires heavy, expensive paper, the best photography and color separations and fine printing. The costs necessarily are higher than for other magazines.

Frequency — The number of issues per year also affects costs. When *Family Circle* went to 17 issues, it had a broader base over which to spread its fixed costs, although this may not have been the major reason for making the move.

Amount of potential advertising — The existence of a larger advertiser base allows a magazine to operate successfully at lower rates than one with

Business magazines ad rate index

	Unit rates	Cost per thousand	Consumer price index
1970	100	100	100
1977	137	128	156
1978	141	132	168
1979	149	140	190
1980	157	148	214
1981	166	158	236
1982 (Est.)	181	172	252

Source: [illegible] Mitchell Hutchins

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Consumer magazines circulation price index

	Average single copy price		Average yearly subscription price		Consumer price index
	$	Index	$	Index	
1970	$.63	100	$7.16	100	100
1977	1.11	176	13.39	187	156
1978	1.21	192	14.86	208	168
1979	1.33	211	16.30	226	190
1980	1.48	235	16.75	234	214
1981	1.62	257	18.06	252	236
1982 (est.)	1.76	283	19.87	276	252

1970-1977 increase	76%	80%
1977-1982	57%	48%

Source: Magazine Publishers Association, Marketing & Media Decisions

Magazine publishers' cost increases

	Paper	Printing	1st class postage	2nd class postage	3rd class postage	Salaries
1970	100	100	100	100	100	100
1977	175	171	217	218	197	161
1978	197	186	250	290	221	172
1979	211	200	250	343	221	181
1980	235	220	250	343	221	202
1981	259	242	300	321	274	226
1982 (Est.)	269	286	333	346	287	253

only a limited number of potential advertisers.

Place in magazine's life cycle — Generally magazines charge somewhat along this scale during various periods in their life cycles:

INFANCY — reduced rates and special discounts in order to get advertisers to go into the first year's issues.

CHILDHOOD — low rates on a dollar basis because the circulation is small. On a cost per thousand basis, however, the rates may be quite high.

TEEN AGE — rates about average for the type of magazines.

MANHOOD — when the magazine is at its peak, it can charge a premium over competitive publications.

MATURITY — this is generally a long period during which rates would be competitive.

OLD AGE — As the magazine declines, rates are reduced to lure any advertisers possible while the magazine tries to develop profits as long as it can before its demise.

When the magazine was started — Many older magazines are saddled with historical rate structures which make it difficult to increase as much as they would like. Most new magazines, after doing their modelling of future projections, are started with higher advertising rates so that they can develop substantial profits.

Discounts and premiums

It must be apparent by now that there is no standard for setting adver-

United States Virgin Islands

It's in VOGUE®

The book women live by.

BEST AVAILABLE COPY

tising rates and that each magazine is an entity unto itself which reaches its rate conclusions based on a long, complex and often subjective calculation. Added to that are a complicating group of factors in the form of discounts and premiums. These have the further effect of changing the basic rate which is charged:

PREMIUMS — 2 color — range from 5-25% additional over the black & white rate

4 color — range from 20-60% additional over the black & white rate

Bleed — range from 0-15% additional over the regular rate

Added charges are also made for various regional and other split run editions, for small space advertisements, for covers and other special positions.

DISCOUNTS — Virtually all magazine shave discounts for frequency. Many magazines have discounts for various types of advertisers whom they think enhance the nature of the magazine. These are generally in the 20-30% range. The home service publications, for instance, give discounts for mail order and other retail. Others have discounts for travel, books and other categories.

A few magazines have hidden discounts by having their advertising rate bases substantially lower than the actual circulation. *Cosmopolitan,* for instance, has a rate base of 2,250,000 while its December, 1981 ABC circulation was 2,849,000.

As you might expect, the lower premiums and higher discounts are more prevalent in those areas where the competition is fiercest. In the women's field, for instance, a single magazine might have a string of discounts like these:

Frequency discounts
Volume discounts
Growth discount
Consecutive page discount
Maximum-plus discounts
Fabulous food discount
Guaranteed volume planning discount

Many magazine will also sell "remnant," or "stand-by" space at lower rates in order to fill out a specific signature.

There has also been talk recently of some magazines giving off-the-card discounts. Traditionally the magazine industry has adhered quite strictly to rate card rates. If this type of discount becomes prevalent, the magazine business will be thrown into the same kind of bargaining situation which exists in broadcast. This does not seem likely, however, because a magazine's cost structure forces it to certain levels of rates. And magazines do not have the limits on the amount of time which is available, as broadcast does. They can always simply add more pages.

Changes in ad rates

For consumer magazines advertising rates are almost double what they were in 1970 (Table on page 44). This increase is much less than the Consumer Price Index and less than the other major national media except for radio (Table on page 44). There has been marked difference, however, between the period 1970-1977 and the years

Hey, Benton & Bowles, want a new, improved magazine for new, improved Crest?

Your ads are bright, bold and bound to have impact in the new, improved Ladies' Home Journal.

Where the editorial has more reach and excitement than ever before—25% more pages than just a year ago. Filled with the latest advances in health and beauty, fitness and self-improvement. Mixed with strong, involving articles and first-rate fiction.

Where the graphics have more punch and new roto presses spin out your ads in their full rich colors.

Take a look at yourself in the Journal. It's an exciting place to be seen.

Ladies' Home
Journal
New
Improved

"There has been talk of magazines giving off-the-card discounts. This does not seem likely because a magazine's cost structure forces it to certain rate levels" — Jim Kobak

since then. Consumer magazine prices grew by only 23% during the earlier period, but since then have increased by 60%, close to the general cost index.

During the 1970-1977 period publishers began to realize that readers love their magazines and were willing to pay more (Table on page 48). Single copy rates increased by 76% during this period; subscription prices have pretty well kept pace with the consumer index.

The change in the mix of advertising vs circulation is clearly shown in Table on page 46 where total income is about half from readers and half from advertisers.

Business magazines have shown a somewhat different trend. Increases in advertising rates have lagged far behind virtually all indices during the past inflationary periods, increasing just 75% since 1970 (Table on page 46). At the same time subscription income, for those magazines which are paid, has been increased 2 1/2 times (Table on page 53). Again, this has helped these magazines keep advertising rates in check. The mix of advertising revenue to total has remained a relative constant 70% through the period (Table on page 53).

Increases in cost factors

Publishers have been affected by the inflationary spiral just like everyone else. In fact, most of the major costs have increased faster than the indexes

PLAYBOY INDUSTRY VIEW: CHARLES PARLATO

comments on quality-audience concentration, from the vice-president/director media planning, scali, mc cabe, sloves

"At Scali, we have many upscale products—and the customer for them is less affected by the economy. We want to put constant pressure against this audience."

"So we go to the magazines with the track record for consistently delivering this quality audience. Then we put numbers aside and look at each publication."

"What it comes down to is how the magazine influences purchases through editorial and ad content—how persuasively it lays out a banquet of good things for the reader."

PHOTOGRAPHY BY JOOK LEUNG

Business magazines sources of revenue

	Ad	Sub
1970	71.1%	28.9%
1977	71.6	28.4
1978	72.6	27.4
1979	71.1	28.9
1980	69.0	31.0
1981	70.0	30.0
1982 (Est.)	70.2	29.8

Source: Paine Webber Mitchell Hutchins.

for the economy as a whole (Table on page 44).

The index for paper prices may be a little misleading. During 1976-1980 there was a severe shortage of paper and many publishers had to buy much of their supply overseas at upset cost. More recently paper mill capacity has been expanded and, for the time being at least, there is a buyers' market.

Printing costs have risen faster than would normally be anticipated, primarily because of soaring prices for ink, which is oil based.

Postage costs have been one of the fastest growing items in the country. In addition to the Second Class postage which is used to mail the magazines themselves, publishers are also heavy users of First and Third Classes in doing their direct mail efforts, renewal series and billing for credit subscriptions.

Salary increases in publishing have been about in line with consumer inflation. Not shown here, however, are the huge increases in payroll taxes which all employers must bear. Social security alone is five times as costly today as in 1970 for those paying the maxiumum amount. Most of this increase has been in the past few years.

What publishers are doing to combat cost increases

In recent years a number of technological improvements have been made in the various operations which must be performed in producing a magazine. Many publishers have taken advantage of these — and have made other moves as well which have resulted in being able to hold their own price increases at a lower level than the individual costs they have to pay. The list of efforts is impressive:

- **Change page size** — A number of publishers which were publishing oversize magazines have gone down to the so-called standard size (about 8½ x 11). The cost savings in paper and postage are enormous. For instance, a change from 10 x 13 to 8½ x 11 saves close to 30% of the paper cost and 25% of the second class postage costs.
- **Change trim size** — Even within the standard size, it is now rare that a magazine is actually 8½ x 11. You will find that most are 8¼ x 10⅞, 8 x 10⅞, 8 x 10¾, 8 x 10½ or some other variation close to these. This is usually a function of the size paper which the presses they use can take. While this may not seem very important, a simple change from 8⅛ x 11 to 8 x 10½ saves 6% of the paper cost and 5% of postage. This can be a very big number.
- **Paper weight** — there seem to be constant improvements in the quality of paper which can be produced at lower base weights — and publishers are constantly changing to take advantage of this.

Business publ. circulation price index

	Yearly Subscription
1970	100
1977	198
1978	209
1979	241
1980	276
1981	319
1982 (Est.)	351
1970-1977 increase	98%
1977-1982	67%

Note: Many business magazines have controlled circulation.

Source: Paine Webber Mitchell Hutchins.

- **Change in printing method** — It was not too long ago that most magazines were printed by letterpress. Today it is rare to find one using this method. There has been a major change to offset, which has proven to be cheaper and today can be run economically for very small print orders. But even this is not the end. As improvements have been made in rotogravure, many publishers are moving out of offset and into gravure, again reducing costs.
- **In-house composition** — Computerized composition has led to the setting of type in the publishers' shops rather than through type houses. This enables the editors to have better control of the product as well as to speed up the entire process. The costs are substantially lower for those publishers who have made the change.
- **Improved color separations** — Automatic color separation machines using lasers and sophisticated programs are used by most magazines today.
- **Subscription fulfillment technology** — The most obvious benefit of the further sophistication of today's fulfillment systems is a lower piece charge in the postal rates if a publisher sorts his copies by ZIP code and carrier route. Those who take full advantage of these rates pay 4.4 cents per piece versus 7.0 cents.

PLAYBOY: Advertise upscale products in an upscale magazine—PLAYBOY. Month after month, you'll reach nearly 15 million men with a lust for the good things in life—and the means to buy them.

Each issue of PLAYBOY reaches about 1 of every 4 men who earn more than $20,000 a year. And PLAYBOY reaches them more efficiently than the newsweeklies and sportsweeklies.

But the full power of PLAYBOY goes beyond numbers. PLAYBOY is *the* lifestyle authority, helping men choose from the products available to them. PLAYBOY's influence moves readers to the point of sale. And PLAYBOY's readers move products out the door.

The Playboy reader. His lust is for life.

Source: MRI, Spring 1982. © 1982 by Playboy.

BEST AVAILABLE COPY

This technology has also enabled publishers to offer regional demographic editions which are limited only by the publishers' and advertisers' imaginations.

- **Improvements in direct mail technology** — Computers today enable publishers to "merge-purge" mailing lists when they make mailings, thus reducing the number of pieces they must mail to get the same result. They can also take advantage of Prizm and other demographic categorization plans to pin-point the areas where their readers are most likely to live — and further reduce the size of mailings.
- **Improved closing times** — A number of the improvements may not result in reduced costs, but many magazines have been able to cut down on the time they need in order to print ads — and several have been able to provide a fast-close form where a few last-minute pages can be accommodated.
- **Improved binding equipment** — Binding operations in most printing plants have lagged behind in new developments until recently. The plucking of signatures and putting them together to form a magazine has always been the slowest process in the printshop. Recently, however, strides have been made to speed this up and to develop more flexibility through the use of computerized controls. These enable the printer to eliminate any magazine which does not have the proper number of signatures without shutting off the binding machine.

And it is now possible for a binding machine to pluck different signatures for different copies of a magazine — and then through the use of the computerized fulfillment list and the jet ink printer — to address each copy to a particular subscriber. While only a few magazines have taken advantage of the capability so far, it is literally possible to design a magazine to address each reader's interests.

- **Use of satellite transmission** — Through the use of satellites it is now possible to deliver pages instantaneously to several printing plants at the same time. Although only a few magazines are taking advantage of this so far, it results in reduced delivery time by printing close to the readers. At the same time delivery costs (whether by postage or other means) can be reduced because part of these costs are based on distance travelled.
- **Alternate delivery** — Many experiments have been carried on to develop delivery systems as an alternate to the Postal Service. In some areas these have been quite successful. In addition to lowering costs, it is important to indicate to the Postal officials that prices cannot rise beyond a reasonable point.

What of future rates?

History indicates that publishers increase both their circulation and advertising rates based more on the need to retain their margins than to try to squeeze the most from advertisers who must use their magazines. If this thinking continues, which seems likely, we can expect pricing to follow the cost increases which are anticipated, tempered by continued efforts to reduce costs.

Jim Kobak

When Pope John Paul II was shot last year, a "right-wing" Turk pulled the trigger. But did the Kremlin point the gun?

Front-Page stories described Mehmet Ali Agca as a thug working for Turkey's neo-Nazi's. But in an exclusive article in the September Reader's Digest, Claire Sterling reports otherwise.

Drawing on sources available to few other experts on terrorism, Sterling presents evidence that Agca was used by the Soviets who hoped to see, in a single act, the "Polish Pope" dead and Turkey discredited within NATO.

Hardly the accepted version of the assassination attempt. But as 40 million readers know, the Digest accepts little on faith.

Reader's Digest

Newspaper cost for 60% household coverage

IN DAILIES

Markets	Cost of 1,000 lines	Cost of 1 page	No. of papers required	Total circulation	Cost per 1,000 in circ. for 1,000 lines
Top 10	$129,230	$ 270,375	35	12,771,000	$10.12
Top 20	180,270	389,243	56	17,792,000	10.13
Top 30	224,240	487,712	73	22,160,000	10.12
Top 40	252,149	559,722	89	25,085,000	10.05
Top 50	280,419	625,779	103	27,613,000	10.16
Top 60	300,945	672,673	116	29,445,000	10.22
Top 70	323,215	722,186	132	31,226,000	10.35
Top 80	340,815	761,707	147	32,640,000	10.44
Top 90	353,495	790,624	161	33,737,000	10.48
Top 100	368,225	825,153	179	34,827,000	10.57
Top 125	400,495	899,357	214	37,403,000	10.71
Top 150	428,363	961,211	246	39,390,000	10.87
Top 175	452,687	1,014,535	278	40,984,000	11.05
Top 200	471,466	1,057,669	310	42,147,000	11.19
Top 225	489,110	1,096,407	342	43,186,000	11.33
Top 250	503,760	1,131,285	370	44,114,000	11.42
Top 275	518,110	1,161,593	395	44,996,000	11.51
Top 300	531,200	1,191,283	422	45,779,000	11.60

IN SUNDAYS

Markets	Cost of 1,000 lines	Cost of 1 page	No. of papers required	Total circulation	Cost per 1,000 in circ. for 1,000 lines
Top 10	$140,690	$ 292,452	30	15,534,000	$ 9.06
Top 20	190,290	406,711	46	21,089,000	9.02
Top 30	233,660	504,108	63	25,692,000	9.09
Top 40	260,277	572,091	76	28,820,000	9.03
Top 50	287,927	639,092	90	31,294,000	9.20
Top 60	306,575	681,693	100	33,134,000	9.25
Top 70	326,155	724,923	113	34,828,000	9.36
Top 80	343,549	764,421	127	36,312,000	9.46
Top 90	355,499	791,721	138	37,435,000	9.50
Top 100	368,599	821,683	151	38,490,000	9.58
Top 125	399,089	891,367	180	41,110,000	9.71
Top 150	425,577	950,660	208	43,052,000	9.89
Top 175	447,881	999,458	233	44,613,000	10.04
Top 200	465,894	1,040,532	262	45,815,000	10.17
Top 225	478,378	1,068,356	283	46,610,000	10.26
Top 250	488,278	1,091,949	301	47,258,000	10.33
Top 275	499,708	1,116,143	320	47,959,000	10.42
Top 300	508,748	1,137,313	338	48,546,000	10.48

Source: Newspaper Advertising Bureau; SRDS Sept. 1981

MEDIA COSTS

Program cost trends — net & syndication

What advertisers and their agencies need to know about programing costs in order to evaluate their investments properly in first-run programing and in syndication buys. Show business can be very expensive, but it can also be very rewarding.

In the network program arena, the advertiser has — apart from daytime soap operas and a few specials — very little say on program costs.

Networks buy shows from outside suppliers, or produce them in-house, notably news and spots. In the case of outside shows, price is negotiated between network and program supplier. Since it's a competitive business, and most producers seldom aim for much profit on the network initial run or even rerun, networks simply pass cost increases along to advertisers.

With considerable evidence to back them up, networks will tell you that they do all they can to hold the line on costs.

What networks *don't* tell you is that they seldom, if ever, invite clients and agencies to get in on real structuring of network program schedules — or their pricing.

That's one reason why the cost of made-for-tv movies, for example, has gone from something like $500,000 per hour just five years ago to well over $1 million today. There may simply not be enough brakes on the system to avoid runaway pricing. (See chart, page 81, for an overview of today's program costs.)

In the syndication market, where every producer secretly hopes he'll make enough to retire to that dream ranch, an advertiser has a better shot at holding the cost line in programing, and at the same time building something on his own.

True, the syndication market lives off network product. In fact, about 80% of syndicated shows now circulating had some form of network run.

This does *not* mean that all network product simply moves into the syndicated market, and that the whole thing is an echo of network seasons-past.

Far from it.

Network shows that bomb-out in the ratings, after a few episodes, and wind up in the the graveyard of broken program dreams seldom have much chance in syndication. Occasionally, a cancelled series can be edited into feature length and slipped into a movie package. Or, it can be offered within the structure of a hosted anthology as comedy or dramatic fare.

Generally, a failed series becomes a write-off — and a reason for high

Demographics of tv include audience I.Q.

Demographic breakouts of audiences of syndicated shows aren't new to marketers. In fact, they're often a reason for specific spot buys into name-star barter specials, off-network successes, first-run shows and other syndicated properties to reach, say, 18-49 women or adult males or whoever.

But did you know there's an apparent link between syndicated shows and the educational smarts of young viewers?

The California Dept. of Education thinks there is, and made headlines with the results of a study of 15,000 sixth-graders in that state. Some key findings:

- Kids who regularly watch *M *A *S *H* — which almost invariably is in top spot in the NSI (Cassandra) measurements of syndicated shows for ratings shares, and demographics — get higher marks on school achievement tests than do the kids who watch *Dukes of Hazzard,* also a ratings powerhouse, and due for 1984 syndications release (photo above).

- Kids who spend a lot of time watching *M *A *S *H* and local and national tv news as their primary tv diet score some 4% higher on tests than kids who don't watch them.
- Lower test scores were also linked to a number of other syndication staples, such as *Happy Days, Diff'rent Strokes* and cartoons. Still lower test scores (10-15% less than nonviewers) turned up among kids who watched *CHiPs* and *Charlie's Angels,* although the latter may possibly have its own educational values in areas of anatomy and gravity.

program costs, since those with an investment in it (chiefly the producer and/or studio, plus network money) charge off losses, where possible, against other projects.

The top off-network syndicated shows, then, are primarily hit shows, often with deep backlog and a strong track record. Shows like *Dallas, Real People, The Incredible Hulk, Little House on the Prairie* and *Diff'rent Strokes* were hits on their network outings.

What's more, now that they're in syndication, they afford advertisers who may have missed the boat on the network run a second shot at the audience brass ring.

That's also why the pipelines buzz between reps and stations concerning network product that's coming on the market.

New-for-fall

The long-run (it started in September, 1977) *Lou Grant* series, with a backlog of 114 hours, is due for start dates via Jim Victory Television in syndication this month (September 1982). Stations have bought it on the basis of six runs over a five-year span. Yes, it's the show that stars Ed Asner, and which drew a somewhat-stormy cancellation.

Mork & Mindy is another hot, off-network property due this month: Paramount Television rolled back a scheduled 1983 start for its 95 half-hour episodes. From MGM Television, *CHIPS* is due in syndication starts this month.

On a more long-range basis, several other important network properties are coming down the pipeline in the foreseeable future.

Quincy, an MCA TV series starring Jack Klugman that racked up a strong score with 18-49 women on its NBC-TV run and more recently has had a network late-night rerun on CBS-TV, will be available in the fall of 1983. There are more than 100 hours in the series.

Shogun, the Paramount mini-series that was a ratings/share blockbuster in 1980-81, was pushed heavily at the 1982 National Assn. of Television Program Executives (NATPE) convention, and was snapped up by (among others) the Metromedia independents. It's slated for 1984 starts,

What network and syndication programs cost today

Type of production for television	Hrs. to produce in studio/edit	Actual length (less commls.)	Av. cost to produce/ep.	Cost/min av. of airtime
Primetime hour film drama *(Hart to Hart, Cagney & Lacey, Matt Houston,* etc.)	60/(1 wk.)	43 mins.	$650,000	$15,116
Nighttime half-hour situation comedy *(Private Benjamin, Mama Malone, Family Ties,* etc.)	40/(4 days)	23 mins.	$350,000	$15,217
Daytime hour serial drama *(General Hospital, One Day at a Time, Ryan's Hope,* etc.)	10/(1 day)	43 mins.	$50,000	$1,162
Made-for-tv movie (network) *(Day The Bubble Burst, The Thorn Birds,* etc.)	3-7 wks.	110 to 440 mins.	$1.5 million per 60 mins.	$22,725
Made-for-tv movie (syndic.) *(Teenage Goddess, First Class, A Woman Named Golda,* etc.)	2-8 wks.	110 to 220 mins.	$750,000 to $2.0 million per 60 mins.	$6,800 to $33,333
First-run syndication *(Entertainment Tonight, You Asked For It, PM Magazine, Romance Theatre, Singles Only,* etc.)	20-30 hrs. per 30 mins.	Varies (23-43 av.)	$100,000 per 30 mins.	$3,333

This chart provides marketing decision-makers with rule-of-thumb cost averages for network and syndication program costs, and is based in part on material presented to a 1982 ANA [illegible]ial Management Workshop by consultant Mine [illegible]ond.

Costs seldom have much [illegible]ship with what an advertiser spends to have [illegible]mercials aired in a particular program vehicle. Networks will charge more on a high-rated show with strong demographics, less on a show that may cost the same or even more, if it's "in trouble."

Long-run network successes, like *M*A*S*H*, have long since amortized set-construction costs, stock shots, titles, etc. But, payments to star performers *before* cameras even roll on an episode can top $100,000 or more. Everybody wants a piece of the action today, and it's a major factor in the escalation of costs of programing.

The most efficient program operations today are daytime soaps. They're the absolute opposite of movies like *Annie* (a semi-hit) and *Heaven's Gate* (a disaster) in which millions were poured into creative ego trips.

There's little fooling around in daytime soap operas. An hour show is usually the result of a 10-hour day. With luck, an advertiser will get a :30 commercial in a shooting/editing session of the same length.

Interesting sidelight: do you know who the largest single supplier of programing is at CBS? It's not a Hollywood studio or Lorimar. It's Compton Advertising, which produces no less than 12-and-a-half hours weekly of soap operas seen on CBS for cost-conscious advertisers like Procter & Gamble.

A relatively new, hot trend in tv programs is the made-for-tv movie, created as a *genre* to replace theatrical features drained off by pay-cable systems, high production costs, "R" ratings and other factors. In effect, they are Hollywood's old "B" pictures, this time with a gloss of social or historical themes (unwed motherhood, overcoming severe disabilities, the 1929 market crash, biographies, etc.)

Tv syndication began, in the 1950s, with what was mostly filmed first-run half-hour shows. Much has changed in syndication. Today, about 80% of syndication is off-network material; the balance is programing from other sources, including first-run syndicated production.

and will be around for awhile. *Shogun* is being sold to stations (at a good price, incidentally, so be prepared for premium spot rates) as 12 hours to be aired as a half-dozen two-hour programs, plus a two-and-a-half-hour feature-style version. Also, stations are being asked to buy the package (the feature version counts as one run) for four runs over five years.

Trapper John, M.D. from 20th Century-Fox Television, a spinoff of sorts from the successful *M A S H* series, is another strong network vehicle headed for syndication, but not before the fall of 1984. There will be at least 88 episodes, and possibly more. It's being pushed to stations on the basis of —are you ready for this? — a seven-year commitment.

Barter syndication

Barter-type deals in syndication are growing in popularity with advertisers, since they offer a number of advantages and a chance to control costs more closely (and even to get into ownership). Generally, they work like this:

- **A producer** obtains private financing and makes a pilot.
- **He takes the pilot to a syndicator** active in barter deals.
- **The syndicator,** who may or may not be an investor in the pilot and/or series (most prefer not to be), then goes calling on agencies, particularly regular customers, and offers the show on a first-run basis, with guarantees of minimum clearance.
- **Meanwhile, the syndicator** is pushing the show to stations asking for firm clearances in good time in the best markets, on either independents or affiliates.
- **Basically, the deal offered is,** "You get the show, essentially without cost, buy you must air it as agreed. You will also get so-and-so number of minutes to sell to non-competing national and local spot clients. We will reserve so-and-so number of minutes that we will sell.
- **If agencies and clients buy** the "national" minutes (usually, two per half hour) and the stations accept the show, feeling they can easily sell the "local" minutes (usually, four per half hour), the deal is on.

A lot of syndicated shows get on the air this way. Some companies, like

"A piece of the action"

As long as there have been impressarios and actors, actors have wanted a bigger chunk of the take — particularly if the performer feels that he or she is being exploited while being the underlying reason for a production's financial success.

Ramon Navarro (the original Ben Hur) was the first Hollywood actor to demand — and get — a percentage of the gross of his movies, even though Charlie Chaplin, Mary Pickford and Douglas Fairbanks, Sr. had earlier decided to produce their own pictures as United Artists (and thus set yet another financial model.)

More recently, the late William Holden demanded — and got — a 10%-of-exhibition-gross fee for *Bridge On the River Kwai*. And, Marlon Brando, it's said, demanded — and got, from Warner Brothers — no less than 100% of the profits from a 1950 movie he directed and starred in, *One-Eyed Jacks*. Both pictures still circulate in tv syndicated packages.

Such seeming bonanzas, however, are subject, in Hollywood, to some of the most creative bookkeeping in the world.

Holden's slice of *Kwai*, for instance, was $2.5 million. He was advised not to take it all at once or risk a ferocious tax bite. Columbia Pictures then set up an iron-clad, gilt-edged trust to pay Holden $50,000 a year for 50 years. Holden thought it was a great idea — until he learned that Columbia, under terms of the agreement, had the total sum out in the money market at conservative rates, and was earning $75,000 a year on it. Not only would Columbia make $25,000 (or more) a year for 50 years but after that would still have the $2.5 million. Meanwhile, the $50,000 annually was paid like clockwork.

Brando was a different case. His movie, the studio decided, would open nationally in the heaviest "saturation booking" of theaters seen in years, with literally hundreds of new color 35mm prints ordered from a Warner-owned lab.

A massive ad campaign, one that kept Warner staffers busy for weeks, was scheduled. Sets used in the production, on the Warner "back lot" western area, were charged to the budget, even though some had been built decades earlier for Errol Flynn oaters like *Silver City*. And so on and on. When the day of profit-reckoning came, studio executives put on their longest faces. Alas, it seemed, there were no profits at all on the film.

But each production cycle brings fresh tales, and tv programs are no exception. James Garner has grumped publicly, on a national tv show, that much the same kind of thing happended to him with *Rockford Files*. James Arness has been less-than-thrilled with his piece of the action of *Gunsmoke*. Farrah Fawcett's demands dealt her right out of the game on *Charlie's Angels*.

And still it goes on. The ever-escalating pay demands of Alan Alda, Harry Morgan and others in fresh episodes of *M*A*S*H* are one reason for that show's high cost to its purchasing network.

Only this summer it looked as though *The Dukes of Hazzard* might not get rolling for its 1982-83 season. However, Warner Bros. Tv signed Sonny Schroyer to return, after his departure for a failed spinoff, *Enos*. And, holdouts Tom Wopat and John Schneider were brought back to the *Hazzard* fold with a new offer.

The tug-o-war between showmen and talent will probably never end — nor will its effects on costs, which are usually passed along one way or another. "It's safer these days to own a bank," says a Hollywood veteran, "and even that's not sure any more."

Syndicast, make a specialty of this kind of barter.

Some advertisers and syndicators take it a step further.

SAMPLE: Bristol-Myers syndicates *In Search Of. . .* as a half-hour weekly informational series, with Leonard Nimoy as host exploring age-old mysteries (lost cities, curious phenomena, etc.). Now, it's being marketed by B-M for the fall-winter season as a rerun strip with the two minutes/four minutes split outlined earlier.

It does well as an access-period show. And, Bristol-Myers is in on the action from start to finish.

Other variants on this theme are often in the area of instructional or self-help programing, which enables the underwriting advertiser to get into the act with a generalized message integral to the program.

The Automotive Parts and Accessories Association has such a show at SFM Media. It's *Car Care Central*, designed (in 13 half-hour episodes) to tell viewers how to repair and maintain their own cars.

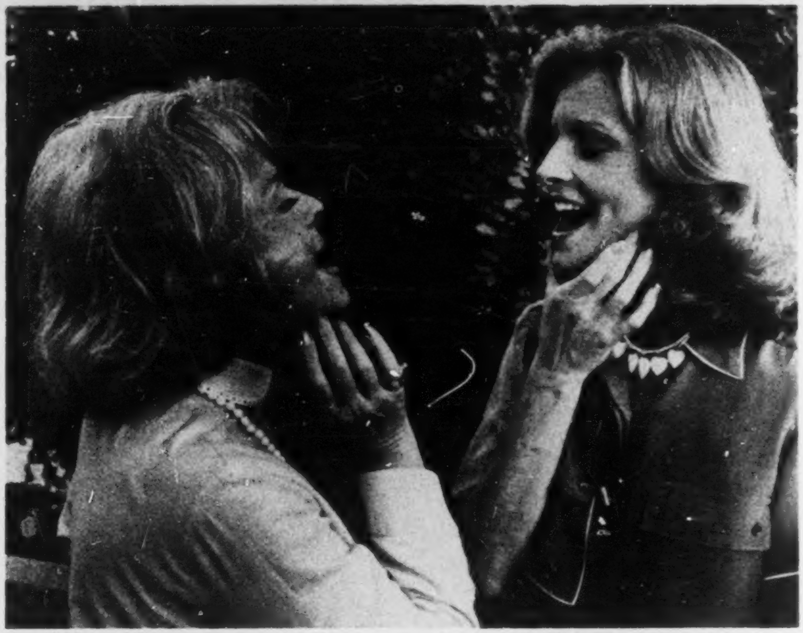
Zotos International, Inc., a leading manufacturer of professional hair-care products used in salons, is the underwriter of *Twice A Woman*, a package of 13 episodes (with 13 repeats) of a half-hour show hosted by master of ceremonies Sunny Griffin.

The focus, naturally, is on grooming, exercise, beauty and fashion tips.

CMC Broadcast Service handles syndicated distribution of *Outdoor Life*, a 20-episode, half-hour fishing/hunting camping series narrated by William Conrad. The barter split is a bit different than usual: 3:00 to the syndicator; 3:30 to the local station. Slotting is recommended as weekend afternoon time periods. The program is produced by *Outdoor Life*, a magazine published by Times Mirror, an organization that certainly knows (tv station group; tv cable services; cable software, etc.) the value of tv exposure.

The costs of such advertiser-involved programs are quite nominal ($50,000 per half-hour, or less). And, considering that they can actually make money for the investor, are not a bad deal at all.

Charles Sinclair



How to exercise your face — Romana de Vries (left) demonstrates her system of facial exercises called Cosmetrics, which she believes can rid women of wrinkles without plastic surgery. Here she offers Sunny Griffin, hostess of *Twice a Woman,* some pointers. Show is produced and presented for tv by Zotos International, Inc., one of the world's leading manufacturers of professional hair care products.

Syndication sale of a lifetime

There are some marvelous syndication sales stories. One of the best, possibly apocryphal but just as likely true, goes like this:

A few years ago, the tv syndication sales arm of a major motion picure studio was approached in New York City concerning a sale of feature films to a foreign, government-owned tv service.

The potential purchaser, it turned out, was one of the oil-rich sheikdoms in the Persian Gulf, which wanted to buy the tv rights to every feature on the company's shelf. The whole works.

The salesman who happened to be in the office at the time was at a loss to come up with a price. A lot of film was involved. On the other hand, syndication prices are usually a function of market size and tv penetration. In this case, the number of tv sets and viewers was limited primarily to members of the sheik's family, a hotel or two, and a bunch of temporary-resident petroleum technicians. And, camels.

By comparison, the likes of Billings, Montana was a megalopolis.

The salesman decided to ditch the whole thing, and quoted a figure out of the thinnest of air that would have given any U.S. broadcaster cardiac arrest. The total was well into millions.

A day or so passed, and nothing happened. The salesman forgot the whole thing.

Then, it happened. A bonded messenger from Switzerland, briefcase chained to his wrist, arrived at the company's office. In the briefcase was a certified check for the full amount — in millions.

The films were promptly shipped.

The salesman, it is said, retired to a life of ease on the commission.

Spot tv cost guide — top 100 markets

(as reported by TvB in 1982-83 Spot Tv Planning Guide)

Daytime (M-F) 7:30 a.m.–4:30 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Stations total audience		Cost per 1,000	
			Tv homes (000)	Adults (000)	Tv homes	Adults
Top 10	2,631	3.6	1,020	1,113	2.58	2.36
20	4,293	3.8	1,500	1,663	2.86	2.58
30	5,604	3.9	1,868	2,079	3.00	2.70
40	6,664	4.1	2,242	2,521	2.97	2.64
50	7,537	4.2	2,537	2,861	2.97	2.63
60	8,188	4.4	2,833	3,204	2.89	2.56
70	8,868	4.4	3,057	3,469	2.90	2.56
80	9,442	4.5	3,288	3,739	2.87	2.53
90	9.999	4.6	3,474	3,962	2.88	2.52
100	10,536	4.7	3,657	4,172	2.88	2.53

Late Evening: 11 p.m.-1 a.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience		Cost per 1,000	
			TV homes (000)	Adults (000)	Tv homes	Adults
Top 10	5,919	5.0	1,389	1,842	4.26	3.21
20	8,888	4.8	1,889	2,527	4.71	3.52
30	10,689	4.7	2,242	3,002	4.77	3.56
40	12,105	4.7	2,560	3,439	4.73	3.52
50	13,330	4.7	2,810	3,784	4.74	3.52
60	14,152	4.7	3,044	4,105	4.65	3.45
70	15,002	4.7	3,239	4,374	4.63	3.43
80	15,693	4.7	3,410	4,607	4.60	3.41
90	16,397	4.8	3,557	4,810	4.61	3.41
100	17,012	4.8	3,700	5,003	4.60	3.40

Early Evening: 4-8 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Stations total audience		Cost per 1,000	
			TV homes (000)	Adults (000)	Tv homes	Adults
Top 10	6,682	7.6	2,201	2,783	3.04	2.40
20	10,843	7.9	3,232	4,095	3.35	2.65
30	13,767	8.0	3,962	5,005	3.47	2.75
40	15,982	8.2	4,590	5,792	3.48	2.76
50	17,788	8.3	5,101	6,436	3.49	2.76
60	19,294	8.4	5,622	7,095	3.43	2.72
70	20,727	8.5	6,019	7,603	3.44	2.73
80	21,956	8.6	6,418	8,119	3.42	2.70
90	23,079	8.7	6,745	8,538	3.42	2.70
100	24,173	8.8	7,078	8,964	3.42	2.70

Early News: 5-7 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience		Cost per 1,000	
			Tv homes (000)	Adults (000)	Tv homes	Adults
Top 10	8,414	8.8	2,402	3,476	3.50	2.42
20	14,524	9.8	3,794	5,520	3.83	2.63
30	18,471	10.1	4,714	6,849	3.92	2.70
40	22,152	10.6	5,637	8,211	3.93	2.70
50	25,109	10.9	6,374	9,296	3.94	2.70
60	27,244	11.1	7,055	10,297	3.86	2.65
70	29,556	11.4	7,627	11,143	3.88	2.65
80	31,710	11.6	8,189	11,978	3.87	2.65
90	33,522	11.7	8,608	12,596	3.89	2.66
100	36,819	11.8	9,021	13,201	3.90	2.67

Nighttime: 7:30-11 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience		Cost per 1,000	
			Tv homes (000)	Adults (000)	Tv homes	Adults
Top 10	26,193	11.8	3,249	4,709	8.06	5.56
20	41,568	12.3	4,786	6,990	8.69	5.95
30	52,729	12.8	6,017	8,783	8.76	6.00
40	59,860	13.1	7,017	10,263	8.53	5.83
50	66,003	13.3	7,855	11,506	8.40	5.74
60	70,913	13.6	8,680	12,712	8.17	5.58
70	75,718	13.7	9,337	13,691	8.11	5.53
80	79,810	13.9	9,952	14,600	8.02	5.47
90	83,717	14.1	10,492	15,412	7.98	5.43
100	87,729	14.2	11,005	16,172	7.97	5.42

Late News: 10-11:30 p.m.

DMA mkt. group	Cost one :30 every mkt.	DMA HH rating	Total audience		Cost per 1,000	
			TV homes (000)	Adults (000)	Tv homes	Adults
Top 10	15,709	9.1	2,488	3,650	6.31	4.30
20	23,622	9.3	3,582	5,295	6.59	4.46
30	27,847	9.2	4,307	6,347	6.47	4.39
40	31,343	9.4	4,981	7,341	6.29	4.27
50	34,323	9.5	5,531	8,159	6.21	4.21
60	36,673	9.6	6,061	8,943	6.05	4.10
70	38,759	9.7	6,472	9,555	5.99	4.06
80	40,525	9.8	6,850	10,115	5.92	4.01
90	42,473	9.8	7,194	10,629	5.90	4.00
100	44,112	9.9	7,512	11,093	5.87	3.98

He's still a producer, and he still makes the same argument.

"Radio creativity often comes last in line at agencies," he told us recently.

"Soundtracks of tv spots are used in radio, even when the copy is making some kind of visual point. Musical jingles are a specialty, even though agency producers and copywriters feel they can do it themselves for less.

"A lot of what we do in radio commercial production is simply bailing-out an agency on a project, or doing the agency's creative work for them, on an out-the-back-door basis.

"Too often, we have to deal with client or agency radio ideas that are really stereotypes, or downright old-fashioned. We are asked, for instance, to find a 'name' announcer with a big Voice-of-God sound, on the presumption that this will send consumers rushing out to buy the product. I'd rather use seasoned Broadway actors like Paul Sparer or radio dramatic actors like Joe Julian or Mason Adams; they're more flexible and expressive, and may even wind up costing less.

"I can do — and I know several other producers who can do — a whole, from-the-ground-up jingle package for a client that would include a basic :60 spot with :30 and :20 adaptations for $10,000. About $5,000 would go for creative fee and musical arrangements. The other $5,000 would go for musicians, studio time, singers ans spokesperson talent. I would use, believe me, the top people in the field. The impact on audiences, and eventually on product sales, could be tremendous.

"But — just try to sell that to any but a few agencies. It takes a lot of creativity out of their hands; agencies don't like that. The cost would be about 10% of the cost of a comparable tv spot, and the radio medium takes time and skill to buy; agencies aren't wild about that, either. There are no location trips, not much glamor, and a lot of hours spent in fine-tune editing and mixing.

"If I could offer cost advice directly to clients, it would be this: Your dollar goes a lot further in radio, and what you spend on creative and production in the medium is almost invariably worth it." *Charles Sinclair*

Examples of radio rates — for target audience adults 25-54; spots distributed equally in 3 dayparts 6 a.m.-7p.m.; goal 300 gross rating points (grp's) in 4 weeks; 60 reach, 5 frequency.

(Prepared by Blair Radio, allowing 15% discount for negotiations)

Market	No. of stations	No. of announcements	Net reach	Reach rating	Avg freq	Grps	CPM T S A impr	T S A gross impressions	:60 (adj) cost	C/P avg R P
New York	7	271	3,869,000	60.0	5.19	311.3	$3.48	22,185,200	$77,104	$247.68
Los Angeles	9	321	2,355,400	58.6	5.19	304.4	4.90	14,368,700	70,353	231.12
Chicago	8	267	1,909,200	61.6	5.26	324.3	4.11	13,164,800	54,114	166.86
San Francisco	8	314	1,349,200	59.9	5.25	314.3	5.92	8,416,200	49,803	158.46
Philadelphia	5	168	1,135,000	62.3	5.16	321.4	4.81	6,692,100	32,196	100.17
Detroit	6	218	1,073,000	61.9	5.27	326.2	4.42	6,730,900	29,784	91.31
Boston	5	160	762,000	57.8	4.98	288.1	5.15	4,921,100	25,363	88.04
Washington, D.C.	6	205	816,400	59.2	5.09	301.6	7.56	4,578,500	34,596	114.71
Houston-Galveston	6	181	807,000	58.2	5.08	295.5	7.28	4,331,900	31,548	106.76
Dallas-Ft. Worth	5	146	767,900	59.1	5.12	302.9	4.83	5,024,100	24,269	80.12
Markets 1-10			14,844,100	60.0	5.18	310.8	4.75	90,413,500	429,130	
Miami-Ft. Lauderdale	8	232	642,600	60.0	5.26	315.4	5.15	3,654,000	18,831	59.71
St. Louis	4	126	558,000	59.9	5.00	299.3	4.56	3,521,500	16,049	53.62
Pittsburgh	4	132	536,500	62.5	5.04	314.9	4.68	3,270,400	15,299	48.58
Baltimore	6	183	515,200	57.8	5.06	292.4	5.43	2,715,500	14,752	50.45
Seattle-Everett	6	215	537,000	59.2	5.08	300.8	5.74	3,117,700	17,883	59.45
Minneapolis-St. Paul	3	69	500,800	57.6	4.74	273.1	3.91	3,121,900	12,201	44.68
Atlanta	5	146	558,500	61.6	5.18	319.0	5.13	3,427,500	17,584	55.12
Cleveland	6	195	441,000	59.2	5.14	304.1	4.79	3,897,100	18,665	61.38
San Diego	7	204	453,400	60.8	5.23	318.1	5.53	2,372,700	13,115	41.23
Tampa-St. Petersburg	5	139	314,500	59.6	5.05	300.8	5.81	2,093,400	12,169	40.46
Markets 1-20:			19,901,600	59.9	5.16	309.0	4.82	121,605,200	585,678	
Denver-Boulder	7	234	465,200	61.7	5.23	322.7	7.42	3,245,200	24,084	74.63
Milwaukee-Racine	5	171	387,600	62.1	5.12	317.8	5.94	2,244,200	13,324	41.93
Phoenix	5	159	373,700	60.1	5.20	312.6	6.60	2,119,200	13,990	44.75
Providence-Worcester	3	100	307,700	57.6	4.89	281.5	5.21	1,572,300	8,189	29.09
Cincinnati	4	119	308,800	57.3	4.97	284.5	5.02	2,036,500	10,226	35.94
Kansas City	5	134	338,700	61.6	5.08	312.9	3.63	2,612,600	9,496	30.35
Portland, OR.	5	170	315,100	59.6	5.18	308.6	7.23	2,191,300	15,841	51.33
Buffalo	3	98	263,200	56.1	4.78	268.2	5.23	1,510,500	7,893	29.43
Riverside	16	566	240,400	48.5	4.94	239.4	11.34	1,261,200	14,298	59.72
New Orleans	5	143	297,300	62.5	5.28	329.7	4.22	2,126,900	8,982	27.24

Examples of radio rates (continued)

Market	No. of stations	No. of announcements	Net reach	Reach rating	Avg freq	Grps	CPM T S A impr	T S A gross impressions	:60 (adj)) cost	C/P avg R P
Markets 1-30:			23,199,300	59.8	5.15	307.7	5.00	142,525,100	712,001	
Norfolk-Portsmouth	6	182	292,000	60.9	5.20	316.6	4.71	1,733,500	8,157	25.76
Indianapolis	4	105	284,500	60.9	5.01	305.4	4.53	1,753,200	7,946	26.02
Columbus, OH	3	109	241,100	55.7	4.85	270.3	6.26	1,577,900	9,874	36.53
San Antonio	6	181	257,400	62.2	5.24	326.2	6.60	2,213,500	14,620	44.82
Sacramento	7	247	294,300	62.3	5.30	330.1	6.67	2,049,300	13,670	41.41
Rochester, N.Y.	3	88	222,900	59.4	5.00	297.3	6.94	1,202,300	8,345	28.07
Hartford-New Haven	3	116	240,700	64.3	4.99	321.0	7.87	1,714,400	13,484	42.01
Louisville	4	132	234,100	63.9	5.20	332.0	5.12	1,661,800	8,514	25.64
Memphis	4	126	200,400	56.7	5.00	283.7	5.75	1,481,800	8,521	30.04
Salt Lake City	4	134	204,000	56.3	4.91	276.6	4.84	1,425,800	6,894	24.92
Markets 1-40:			25,670,700	59.8	5.14	307.6	5.10	159,338,600	812,026	
Greensboro	5	123	213,100	60.6	5.16	312.9	3.28	1,602,500	5,260	16.81
Birmingham	3	92	195,200	59.2	4.90	290.1	4.72	1,323,900	6,245	21.53
Nashville	5	166	215,700	61.6	5.22	321.8	5.68	1,815,200	10,317	32.06
Dayton	4	114	192,000	57.0	4.90	279.3	5.87	1,275,000	7,490	26.82
Oklahoma City	5	169	207,500	61.4	5.08	312.3	5.74	1,604,300	9,202	29.47
Albany-Schenectady	2	69	173,600	58.8	4.84	284.6	6.38	1,315,100	8,389	29.48
Toledo	5	146	183,400	62.5	5.20	325.2	5.87	1,158,300	6,797	20.90
Honolulu	4	118	196,600	59.9	5.09	305.1	4.71	1,001,500	4,715	15.45
Jacksonville	3	92	168,400	56.1	4.84	271.3	6.42	978,300	6,282	23.16
Orlando	3	88	171,600	59.4	5.02	298.2	5.57	1,109,100	6,174	20.70
Markets 1-50:			27,587,800	59.8	5.13	307.1	5.12	172,521,800	882,897	
Tulsa	4	99	180,100	61.6	5.03	310.2	2.86	1,185,700	3,387	10.92
Akron	8	363	135,500	53.4	4.89	261.4	12.47	845,400	10,543	40.33
Allentown-Bethlehem	4	101	155,200	62.7	5.10	319.8	4.25	903,600	3,837	12.00
Northeast PA	4	123	147,700	63.3	5.18	327.5	4.06	854,900	3,469	10.59
Richmond	3	86	170,400	63.5	5.01	317.8	4.47	1,083,200	4,839	15.23
Syracuse	3	92	149,500	62.3	5.06	315.2	7.10	949,500	6,746	21.40
Charlotte	3	96	163,400	59.6	4.94	294.8	6.72	1,818,900	12,226	41.47
Springfield	3	92	123,200	56.6	4.75	269.1	8.02	647,800	5,197	19.31
Grand Rapids	3	101	132,800	58.1	4.92	286.0	6.50	922,400	5,997	20.97
West Palm Beach	7	212	130,100	61.0	5.18	316.1	9.54	738,700	7,045	22.29
Markets 1-60:			29,075,700	59.8	5.13	306.8	5.19	182,471,900	946,183	
Greenville	3	73	144,000	60.7	5.12	310.9	3.71	1,190,300	4,421	14.22
Omaha	3	97	138,400	60.4	4.82	291.1	4.36	1,382,900	6,035	20.73
Raleigh-Durham	3	84	131,300	59.7	4.92	293.5	4.53	1,481,500	6,712	22.87
Tucson	5	143	126,800	60.9	5.16	314.3	5.67	709,200	4,018	12.78
Austin	4	105	119,300	58.3	5.04	293.7	5.86	688,700	4,036	13.74
Youngstown	3	100	118,700	57.6	4.93	284.0	4.59	819,500	3,763	13.25
Wilmington	6	184	126,500	60.2	5.10	306.9	6.67	691,700	4,614	15.03
Flint	6	173	126,300	60.3	5.13	309.3	7.44	758,100	5,639	18.23
Fresno	6	198	123,500	61.8	5.21	321.8	4.43	1,336,100	5,915	18.38
Knoxville	3	76	109,800	56.3	4.73	266.2	3.39	988,100	3,348	12.58
Markets 1-70:			30,340,300	59.8	5.12	306.5	5.17	192,518,000	994,684	
Baton Rouge	4	119	121,600	61.4	5.01	307.3	2.95	1,015,200	2,994	9.74
Lansing	5	134	109,600	61.9	5.14	318.1	5.13	656,600	3,371	10.60
Las Vegas	6	178	135,000	62.6	5.22	327.1	5.10	708,800	3,614	11.05
Harrisburg	4	102	104,800	60.7	5.07	307.6	7.12	687,200	4,891	15.90
New Haven	6	199	101,100	60.3	5.04	304.2	11.42	712,400	8,138	26.75
Albuquerque	5	135	120,500	63.2	5.20	328.8	5.63	934,900	5,261	16.00
El Paso	7	279	114,600	61.3	5.31	325.6	7.77	776,900	6,036	18.54
Johnson City	5	128	110,400	60.7	5.06	307.3	3.16	730,400	2,309	7.44
McAllen-Brownsville	4	88	96,400	57.6	4.94	284.6	3.69	497,100	1,834	6.44
Mobile	3	82	102,100	60.4	4.89	295.4	5.16	658,200	3,397	11.50
Markets 1-80:			31,456,400	59.9	5.12	306.7	5.19	199,895,700	1,036,529	

Clients that are in cable are staying in cable. They are not cutting back. The ones that are not in cable are very reluctant to go in. They may go in cable next year if the economy turns upward."

Ad-supported cable is also feeling the impact of rising costs in other media, especially the record breaking broadcast network television upfront season. Media experts have said that — with the dramatic increase in net-

J. Walter Thompson/New York cable cost per thousand tuning households estimates, June 1982

Programing vehicle	Type of programing	Subscribers (000)	Cost per 30 seconds	Avg. ¼-hour rating est.	Avg. HH audience	Avg. cost per 1,000 viewing HH
ARTS	Cultural	8,000	$1,000	0.9	65,700	$15.22
BET	Black sports, variety	3,000	$315	0.4[1]	12,400	$25.40[1]
CHN	Health, lifestyle	4,600	$400 to $2,000	0.4	18,400	$21.74 to $108.70
CNN	News	14,500	$250 to $2,100[2]	1.1	159,500	$2.60 to $8.50[2]
CNN2	News headlines	1,800	$50	0.5	9,000	$5.50
CBS	Cultural	5,000	$500[3]	0.5	21,000	$23.81[3]
CBN	Family entertainment	17,000	$160 to $1,150[4]	1.0 to 4.0[4]	(see note)	$1.75 to $2.25[4]
Daytime	Women's information	5,500	$300 to $400	0.5	27,500	$12.73
ESPN	Sports	16,800	$200 to $3,000	1.0 to 1.8	158,000 to 285,000	$5.27 to $5.70
MSN	Women's how-to	4,100	$150 to $200[5]	0.2	8,200	$24.39
MTV	Video music	5,800	$350 to $750	2.0[6]	135,000	$5.56[6]
SNC	News headlines	2,600	$222[7]	0.5	13,000	$17.00
SPN	International, movies, variety and how-to	4,600	$100 to $400	0.3	13,800	$29.00
SIN	Spanish programing	2,900	$500 to $5,500	3.0 to 37.0[8]	500,000	$2.28 to $6.49
WTBS	Independent tv	23,200	$720 to $3,780	1.4 to 4.2	300,000 to 910,000	$1.80 to $4.80
TeleFrance	French programing	10,700	$360	0.2	20,000	$18.00
USA	Sports, women's, children's, movies	12,000	$550 to $1,400	0.7 to 1.2	75,000 to 132,000	$9.30 to $10.60
Weather	All weather reports	4,200	$150 to $300	0.2	10,000	$15.00 to $30.00

Source: J. Walter Thompson USA (New York Office), "Cable Capsules," June 1982, second edition.

All costs quoted represent the starting point. They are not rates of any specific buy but the rates the system is willing to quote in general overview. They are therefore highly negotiable. The reduction from these costs can be quite significant. The purpose of estimating audiences is to provide a perspective and relative comparisons. The data is intended as an overview and does not apply to all programs on the system.

[1] Estimates a 10% share of black households using television. Cost per thousand viewing households refers to black households only.

[2] The cpm varies by daypart and program, with the lowest cpm for 6 a.m. to 3 p.m., and the highest for financial news segments. CNN is sold on a cpm basis based on Nielsen Television Index daypart average household ratings.

[3] Cost and cpm refers to a single 30-second spot in scatter. Contracts call for a minimum of four plays. Thus, the minimum rate for a 30-second spot is $2,000 in scatter. Sponsorships are also available, requiring purchase of five minutes per program with four plays. Sponsorship costs on a four-play basis are $50,000.

[4] CBN offers guarantees on ratings and cpm's based on NTI data. The ratings and cpm's quoted here reflect those guarantees. JWT/NY, however, estimates a 0.5 average rating for CBN.

[5] MSN also offers half-hour blocks to advertisers for $1,500 plus the supplying of the program for that time period. MSN also has the Home Shopping Show, which costs $11,000 for an 8-minute segment, aired 5 times plus the cost of producing the segment.

[6] The rating for MTV refers only to persons 12-34. The cpm is based against this same demographic and is calculated against the $750 per 30-seconds rate.

[7] 30-second spots must be purchased in blocks of 18, with the cost of the package being $4,000. The cost per 30-seconds quoted here refers to a single spot in that package. SNC is also sold on a regional and local basis at different rates.

[8] SIN ratings refer only to Spanish speaking households, and not ratings within the total television and cable tv universes.

Key to services: ARTS (Alpha Repertory Television Service); BET (Black Entertainment Television); CHN (Cable Health Network); CNN (Cable News Network); CNN2 (Cable News Network 2); CBS (CBS Cable); CBN (Christian Broadcasting Network); Daytime (Hearst/ABC Video Services daytime programing); ESPN (Entertainment & Sports Programming Network); MSN (Modern Satellite Network); MTV (MTV: Music Television); SNC (Satellite News Channel); SPN (Satellite Programming Network); SIN (Spanish International Network); WTBS (the Atlanta SuperStation); TeleFrance (TeleFrance USA); Weather (The Weather Channel).

MEDIA COSTS

Big advertiser budget splits

How types of advertisers of the Top 200 Advertised Brands chose to allocate their media dollars in national media. This report covers 24 categories of advertisers, plus miscellaneous advertisers among the Top 200 Brand promoters. Data is shown in dollars for each category and in percentage of totals in each category allocated to the major media.

This report is an extension of the Top 200 Advertised Brands report that we publish in July each year.

The data in the most recent of these reports has been reorganized for the first time by major categories to show budgeting practice in eight major national advertising media in 1981.

Sources of this expenditure data are Leading National Advertisers (LNA), Broadcast Advertisers Report (BAR) for magazines, net and spot tv, net radio and outdoor; Media Records for national newspaper advertising; Radio Expenditure Reports (RER) and Radio Advertising Bureau (RAB) for spot radio. *Decisions* combined the figures.

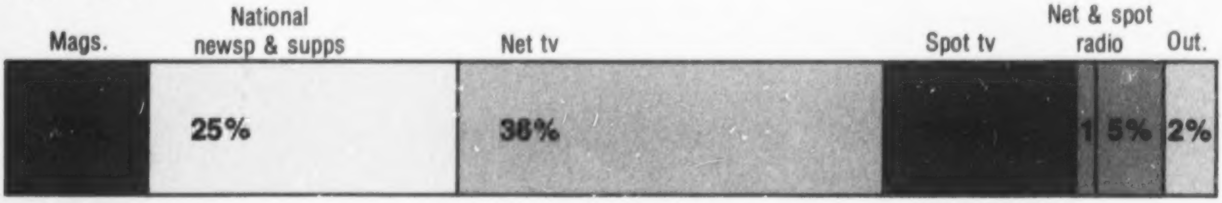
We show the data in dollars and percentages in each medium for the Top 200 in 24 categories, plus 31 miscellaneous Top 200 advertisers.

A final page shows the extent to which the Top 200 dominate total national advertising expenditures in each medium. And the charts immediately below show how budgeting practice of the Top 200 as a group differ from that of smaller national advertisers. ("Smaller," in this case, designates expenditures of less than $14.3 million on a brand.)

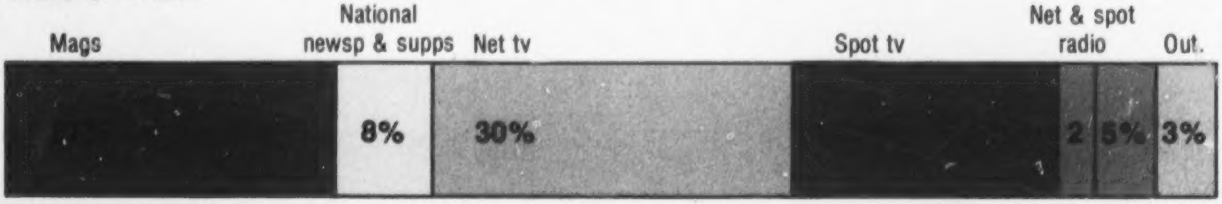
The report offers a view of how the largest competitors in each of the most heavily advertised fields spend their media dollars. Advertisers who welcome head-to-head competition may wish to seek those media in which the competition puts its weight. However, an individual advertiser's strategy may be to avoid the competition — in which case the data offer a guide to where the competition is least visible. On this basis, there appears to be a wide-open opportunity for all national advertisers to stand out in net and spot radio and outdoor — and for some to make a competition-free splurge in newspapers.

How budgeting practice differs for Top 200 Brands and all other national media users

TOP 200



ALL OTHER

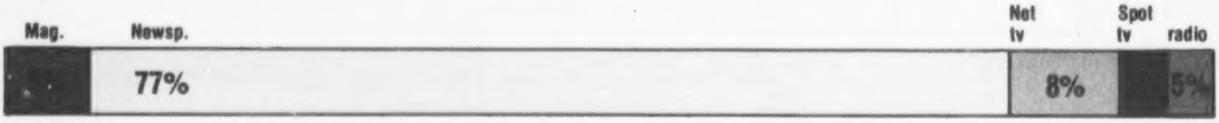


Budgeting practice of Top 200 Advertised Brands

(by category in thousands of dollars and percentages)

5 leading retail chains

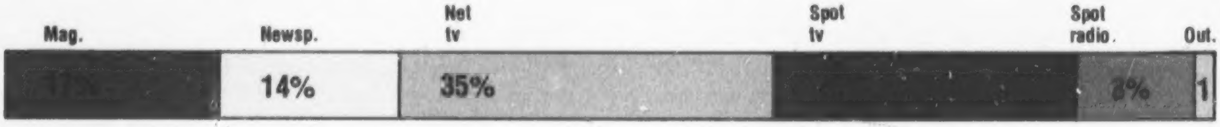
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$74,753	$622	$1,077,000	$110,683	$67,016	$12,542	$46,000	$209	$1,388,825
Percent	5%	*	77%	8%	5%	1%	4%	*	100%



* less than 1%

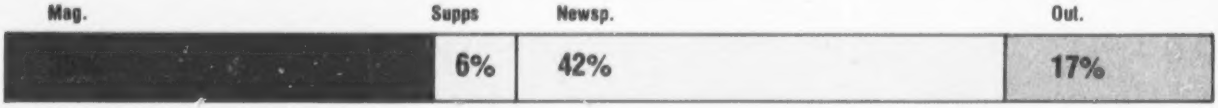
20 automotives

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$206,425	$2,730	$173,740	$413,541	$307,400	$9,794	$101,645	$16,374	$1,231,649
Percent	17%	*	14%	35%	25%	*	8%	1%	100%



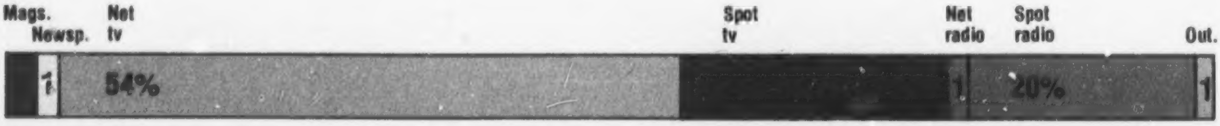
16 cigarettes

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$228,337	$40,948	$270,589	—	—	—	—	$113,115	$652,989
Percent	35%	6%	42%	—	—	—	—	17%	100%



9 beers

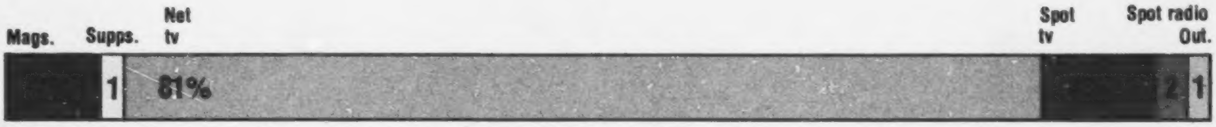
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,939	$7	$3,473	$177,303	$69,114	$3,915	$67,615	$3,902	$333,268
Percent	2%	*	1%	54%	21%	1%	20%	1%	100%



Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

10 medicines

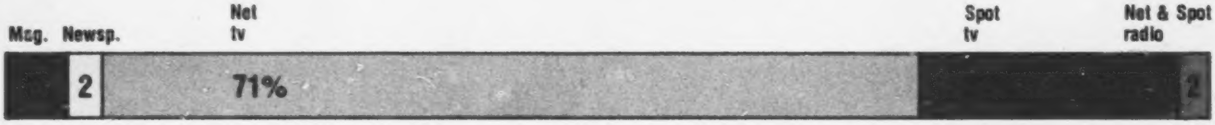
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$16,656	$1,459	$912	$207,643	$20,980	$5,022	$1,851	$228	$254,751
Percent	7%	1%	*	81%	8%	2%	1%	*	100%



* less than 1%

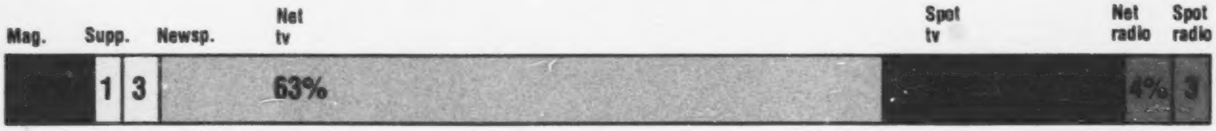
3 cereals

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,157	$9	$2,915	$107,397	$31,424	$1,455	$1,779	$130	$151,266
Percent	4%	*	2%	71%	21%	1%	1%	*	100%



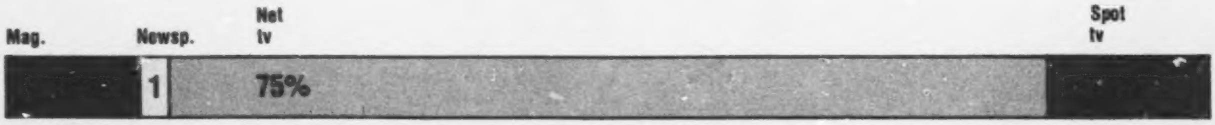
5 coffees

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,575	$1,108	$4,107	$77,776	$25,420	$4,928	$3,871	—	$124,785
Percent	6%	1%	3%	63%	20%	4%	3%	—	100%



3 dog foods

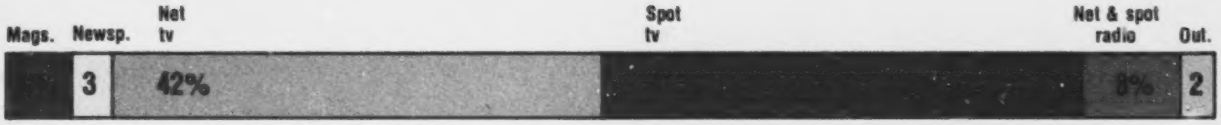
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$9,585	$193	$1,382	$70,845	$12,943	—	$126	—	$95,074
Percent	10%	*	1%	75%	14%	—	*	—	100%



Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

8 soft drinks

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$8,377	$892	$6,751	$96,242	$94,419	$530	$19,195	$4,723	$231,129
Percent	4%	*	3%	42%	41%	1%	7%	2%	100%



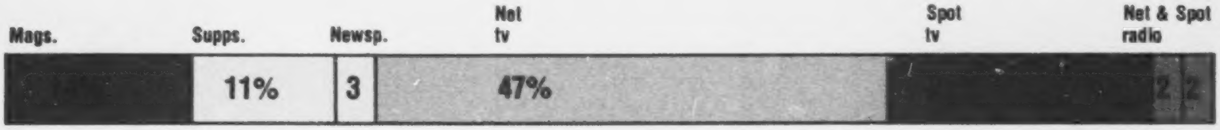
* less than 1%

2 candy & gum

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$2,246	—	$1,467	$46,081	$11,683	—	$2,404	—	$63,881
Percent	4%	—	2%	72%	18%	—	4%	—	100%

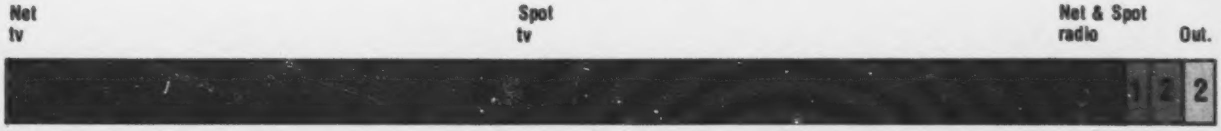
17 miscellaneous foods

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$69,698	$55,224	$15,471	$231,248	$105,304	$5,165	$9,833	$491	$492,434
Percent	14%	114%	3%	47%	21%	2%	2%	*	100%



7 fast food marketers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$347	$53	NA	$121,198	$183,477	$4,563	$5,593	$5,133	$321,464
Percent	*	*	NA	38%	57%	1%	2%	2%	100%

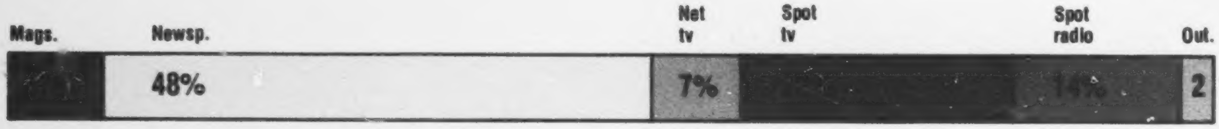


Budgeting practice of Top 200 Advertised Brands

(by category in thousands of dollars and percentages)

5 airlines

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$14,854	$872	$101,518	$14,742	$46,355	$648	$29,854	$4,859	$213,702
Percent	7%	*	48%	7%	22%	*	14%	2%	100%



* less than 1%

6 gas & oil advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$26,112	$3,190	$14,821	$51,345	$40,365	$5,742	$11,474	$412	$153,461
Percent	17%	2%	10%	34%	26%	4%	7%	*	100%

3 toy & game advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$4,867	$102	$3,237	$48,038	$31,349	—	$30	$20	$87,643
Percent	5%	*	4%	55%	36%	—	*	*	100%

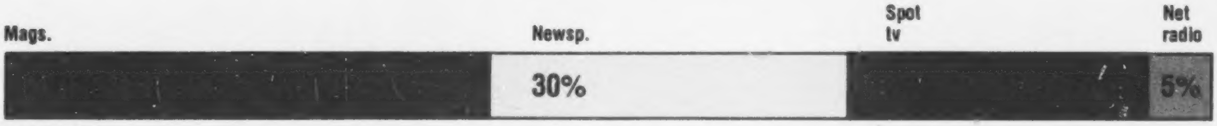
7 entertainment budgets

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,116	$263	$1,670	$107,372	$58,450	$221	$11,688	$624	$186,404
Percent	3%	*	2%	58%	31%	*	6%	*	100%

Budgeting practice of Top 200 Advertised Brands
(by category in thousands of dollars and percentages)

4 media budgets

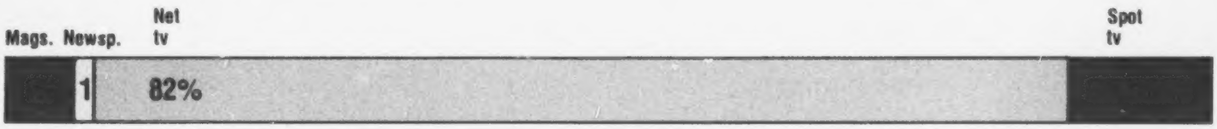
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$45,643	—	$33,302	—	$26,327	$5,184	$635	$516	$111,607
Percent	41%	—	30%	—	24%	5%	*	*	100%



* less than 1%

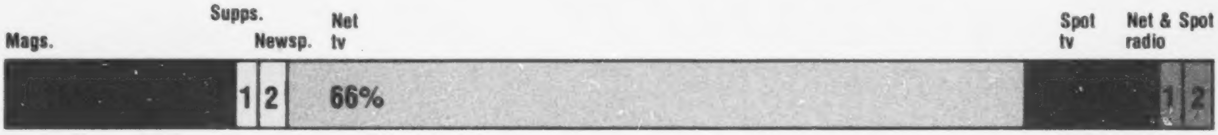
5 soaps & cleansers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$6,053	$170	$620	$91,889	$13,006	$95	$166	$100	$112,098
Percent	5%	*	1%	82%	12%	*	*	*	100%



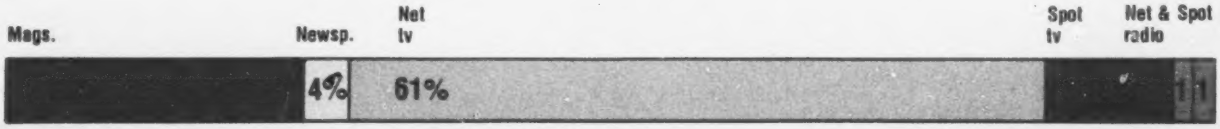
18 personal care products

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$82,380	$3,787	$7,682	$300,170	$48,403	$6,387	$9,149	$126	$458,084
Percent	18%	1%	2%	66%	10%	1%	2%	*	100%



4 cameras

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$34,598	$491	$6,877	$93,815	$15,790	$1,939	$1,804	$757	$156,071
Percent	23%	*	4%	61%	10%	1%	1%	*	100%



2 insurance companies

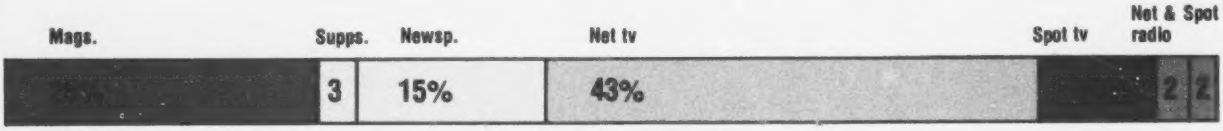
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$1,936	$29	$514	$26,134	$3,227	$42	$3,730	$21	$35,633
Percent	6%	*	1%	73%	9%	*	11%	*	100%

3 apparel advertisers

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$7,195	$372	$1,251	$44,642	$7,312	$1,381	$3,845	$15	$66,013
Percent	11%	*	2%	68%	11%	2%	6%	*	100%

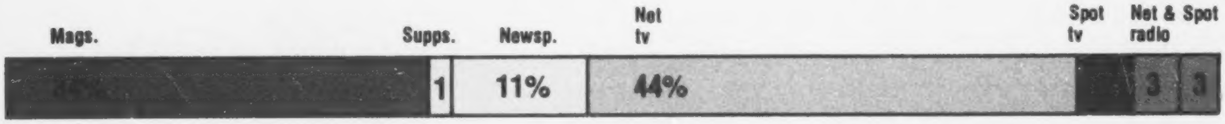
5 appliances

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$47,509	$4,867	$27,156	$81,065	$18,338	$3,592	$4,071	$205	$186,803
Percent	25%	3%	15%	43%	10%	2%	2%	*	100%



2 computer corporations

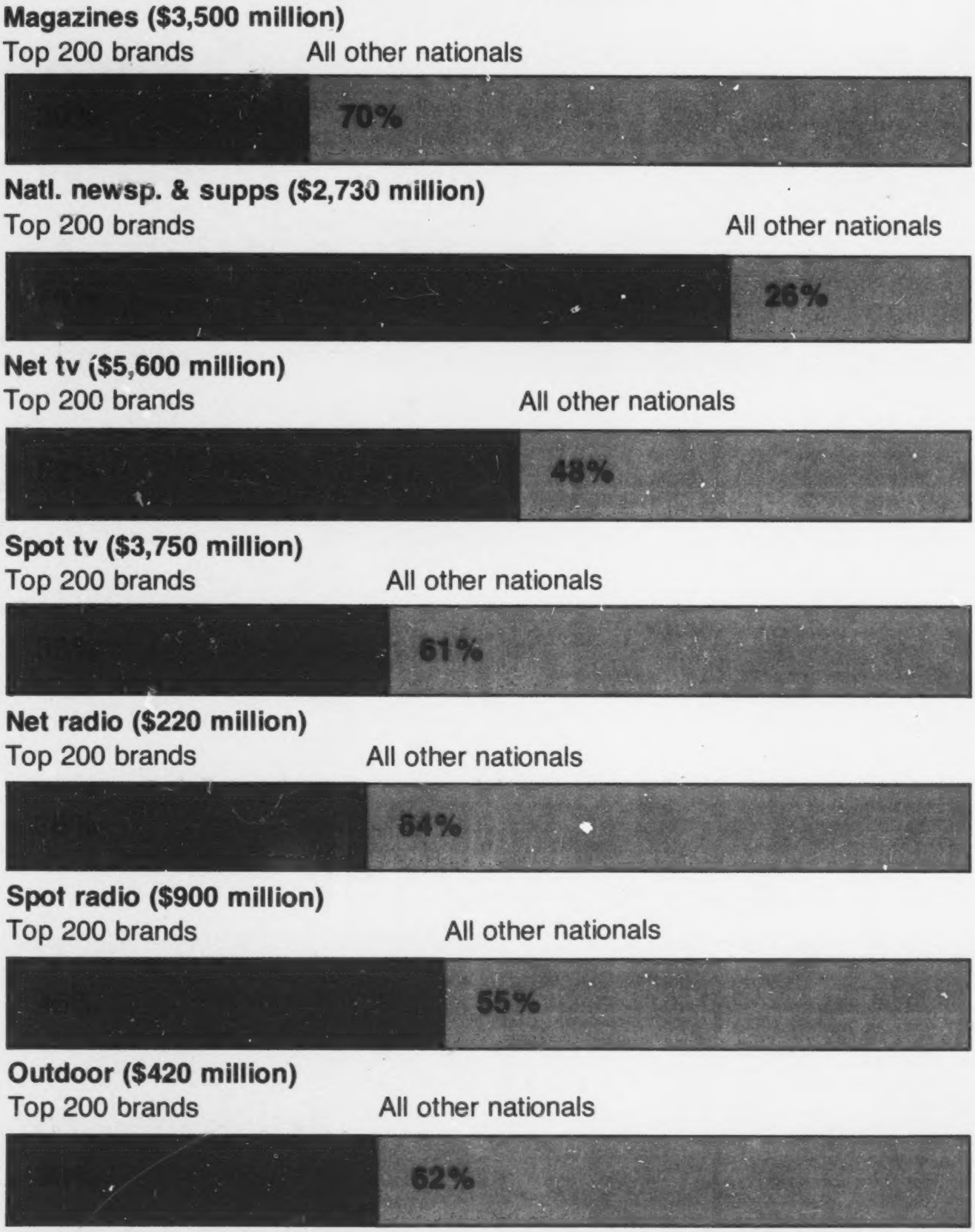
	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$20,681	$417	$6,982	$26,987	$2,061	$1,636	$1,888	$95	$60,747
Percent	34%	1%	11%	44%	4%	3%	3%	*	100%



31 miscellaneous

	Magazines	Supps	Newspapers	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Total
Dollars	$174,573	$23,235	$36,190	$331,222	$173,062	$17,964	$29,767	$7,552	$793,565
Percent	22%	3*	5%	41%	22%	2%	4%	1%	100%

Extent to which national media rely on Top 200 brands for support



Sources: Decisions Top 200 Brands, McC-E Total Media Expenditures.

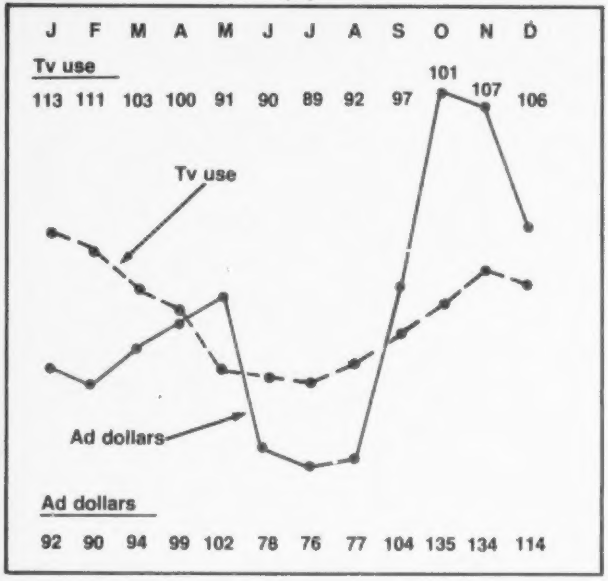
Seasonal variation in ad dollars vs audience values

Audience values and amount of expenditures seasonally show the criss-cross patterns in the charts below.

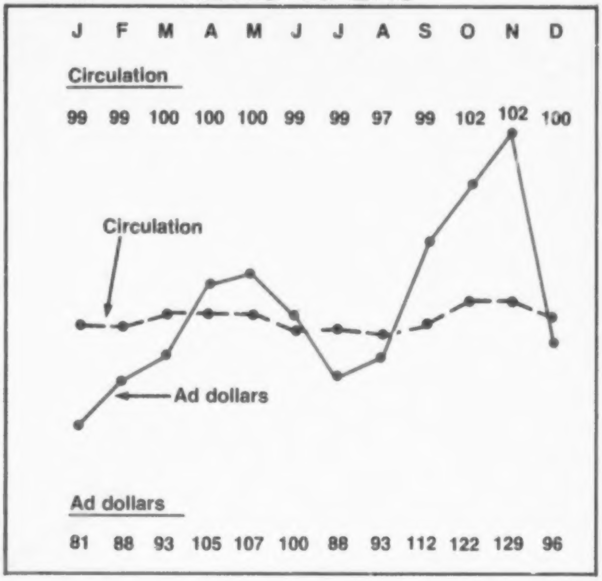
Most important thing about these charts is the seasonal opportunities they show. Where listening, viewing, reading is higher than ad dollars, advertisers are getting more value in absence of clutter and competition for attention but they aren't buying.

In some cases it makes sense for advertisers to lump their ad dollars to match buying seasons. However, much of the variation shown in these charts is based on false assumptions. The indexes are based on tv use per tv home per day, radio average quarter hour listening by persons 12 or over, magazine reading (TGI 1973-74), daily newspaper circulation.

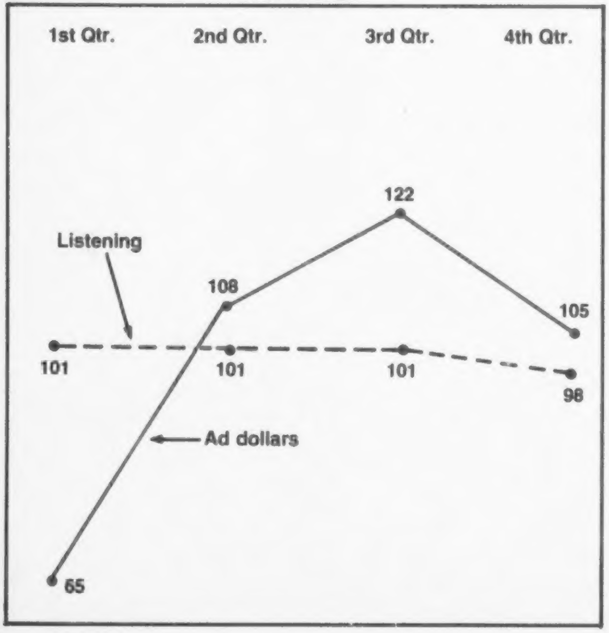
TV



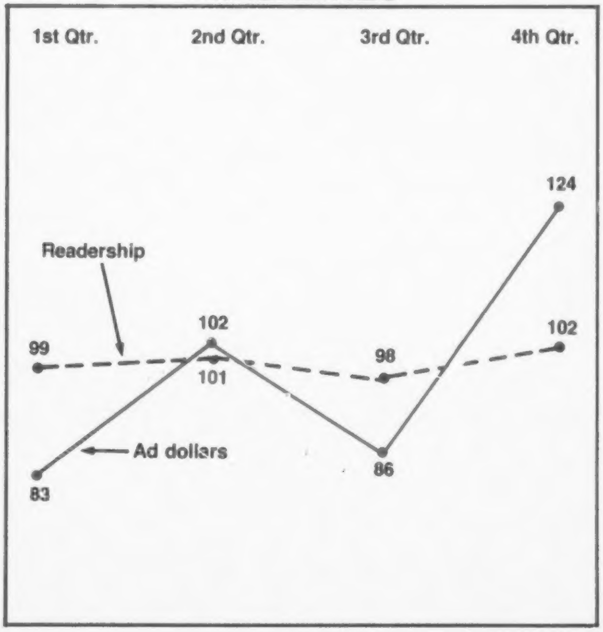
NEWSPAPERS



RADIO



MAGAZINES



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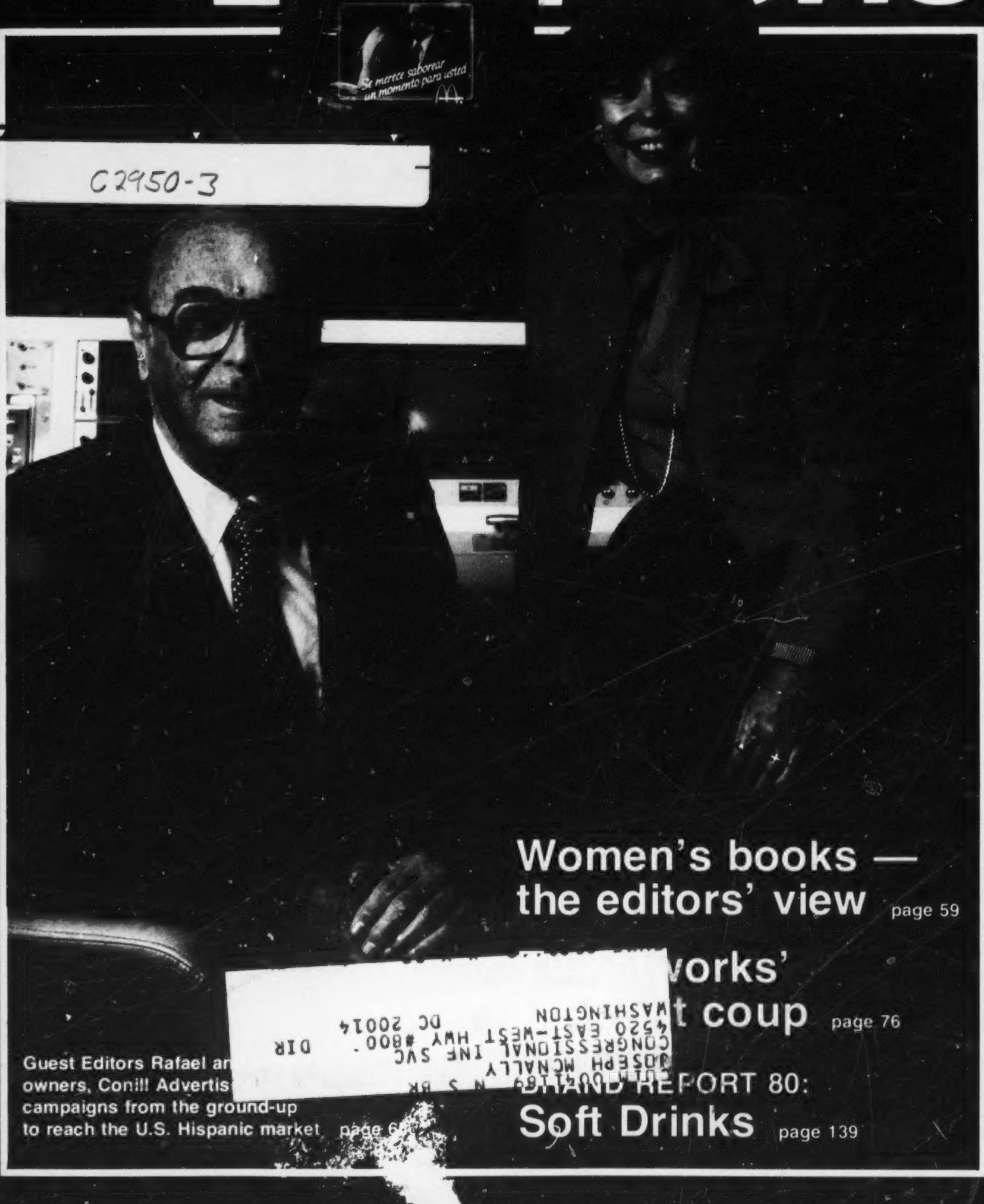
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un momento para usted

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FUTURES

Pay cable, videotex potential touted

A decline in the growth of cable penetration, and expansion in pay-cable and videotex are predicted in a pair of reports on probable growth in the industry.

Cable penetration will decline in the rest of the 1980s, according to a study by International Resource Development, Norwalk, Conn. The IRD study, Video Market Opportunities, estimates that by 1992, only 69 million U.S. homes will be passed by cable, much lower than the previous concensus figure of 90 million. Penetration is pegged at 34 million.

Factors mitigating against cable growth, the study indicates, are the ever-increasing costs of constructing cable franchises, the political struggles necessary to win new franchises, and growing competition from direct broadcast satellite service and subscription tv.

But the IRD study suggests two emerging profitable areas, pay-cable and teletex. By 1992, 4.5 million subscribers will be spending $2.2 billion annually on cable-based teletex, the report estimates.

As a consequence of growth in satellite and cable, the study predicts the networks "will improve their offerings" with new movies and special sports events.

Opinion Research Corporation, in Princeton, N.J., came to similar conclusions, indicating that pay tv's growth will outstrip that of cable.

In conducting the research, Howard Horowitz, vp and project manager, observed that "instead of being more satisfied with all sorts of alternative programing, the public actually demands more options, more news, more weather, more sports, more culture, more children's programing, and more local shows."

Last year, he said, 12% of ORC's sample said they would "most likely" convert to cable within the next two months. The new survey brings that total up to 16%.

The report shows that the most significant growth has not been in cable but in pay cable tv. In the last year, pay cable subscription has increased at about three times the rate of growth in basic service.

ORC's report says this is bad news for advertisers. In the first study of the cable market, ORC found that 45% of respondents indicated a willingness to acccept advertising on pay-cable "under certain conditions" — specific time slots. After nine months, the percentage willing to accept advertising on pay-tv dropped to 35%. Meanwhile, the percentage of non-cable subscribers currently who would not subscribe to pay-cable if it carried ads increased from 52% to 60%.

The report concluded that if subscription intent is a meaningful guideline of potential growth, then the "dramatic expansion of pay and basic cable as evinced over the past year is not likely to subside."

Total U.S. Cable Television Industry Services Market, 1982 - 1992

($ Million)

	1982	1984	1987	1992
Total U.S. Cable Television Service Revenues	4,153	5,464	7,360	10,310
Basic Service	2,250	2,520	2,790	3,060
Advertising Over Basic Service (including cabletext)	250	400	625	1,000
Pay Cable Service	1,650	2,260	1,870	1,320
Cable Pay-Per-View	1	160	310	1,620
Cable Videotex Residential Svc. (Non-Entertainment)	1	115	1,125	2,250
Cable Telecommunications	1	9	140	1,060

(SOURCE: INTERNATIONAL RESOURCE DEVELOPMENT INC.)

The older increase, but they feel younger

While the number of older people in the U.S. is increasing, many of them feel considerably younger than they are, recent research shows. Caldwell Davis Partners, New York, in a survey of over 1,000 men and women, found that two-thirds who have reached middle age feel five to 15 years younger than they are. The study also showed that the magnitude of difference between a person's chronological and perceived age increased as he or she grew older.

Franchellie Caldwell, president of the agency, explained, "Most people we surveyed said they felt 30 to 35 years old, regardless of their actual age. While there were some ex-

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WEEK ENDING
REGULAR HOURS
REGULAR EARNED
AMOUNT EARNED SOC. SEC. TAX
LESS: FED. SOC. WITH. TAX
LESS: FED. WITH. TAX
LESS: STATE TAX
NJ STATE SAVINGS BONDS
LESS: OTHER
LESS: OTHER DEDUCTIONS
TOTAL DEDUCTIONS
NET AMOUNT DUE

Business may be off but salaries are up

Simmy Sussman, marketing and ad agency executive placement specialist, finds the tight economy is pushing people costs to a new high. Here's her analysis of why — and a new run-down of salary ranges in marketing and media.

In times like these it is important to assess what is happening in our business. Just today, the papers are full of surprises — Ford Motor Company is spending $8 million for 24 minutes of ABC's "The Winds of War."

One would think that in today's economy, one might take a conservative position. Not so — the madness continues — in media spending, in aggressive staffing. It is important to dissect our business and look at it today from every aspect.

Agencies no longer grow own

There are two sides to the agency question — how do we attract media talent and how do we keep our departments staffed. I have always been a believer in developing your own talent. It has always amazed me to see agencies going to the outside at supervisory levels and above. Some agencies are not even investing in youngsters today, prefering to "let the other guy train them." There doesn't seem to be much of a paternalistic approach any more. Agencies are going to have to take a position on this at some point.

It is getting impossible to find superior media talent, and as a result, media professionals can almost "write their own ticket" when special situations come up.

Moreover, the media business is obsessed with the "cult of personality" — the charisma of the special someone who can dazzle the client. Today the media business is almost like show business, where brains and personality can parlay someone to visibility and success beyond what anyone ever dreamed of a decade ago.

Clients move in

The most growth in the past few years seems to have occurred on the client side. Clients, being very careful of costs, have attempted and are doing more and more work in creating in-house facilities for their media operations. There have been an escalating number of trained media personnel going to the client side to oversee the work of the agencies.

As the facets of media are expanding in cable operations, new publication and new technology, corporations are using their own professionals working along with their agencies to get the most coverage, the most effeciency, the more innovative ideas. The agencies and other service organizations are under the gun to perform.

The buying services are another tremendous area for growth in a downward economy. Many agencies can not afford to staff properly to buy time for their clients most proficiently. The media buying services have a bigger opportunity to provide total media services for agencies that can not do it as well. Certainly, the small agencies, of which there are many, have the ability to buy better for clients when they can utilize the talents and "clout" that the services can add.

Also because of economic problems we are seeing many financial problems arising from media bills not being paid at stations and publications. It is imperative to know your customer. Certainly corporations are paying their bills, but slowly. The cash flow situation is disasterous. Everyone is acting as everyone else's banker, but the buck has to stop somewhere — where it belongs — as fast as possible.

Continued on page 136

How salaries range in marketing and media

Major 4A advertising agencies

MEDIA

1. Executive vp-director of marketing services	$70,000.—$125,000.
2. Senior vp-media director	$50,000.—$100,000.
3. Vp-director of local broadcast management	$40,000.—$ 70,000.
4. Vp-associate media director	$32,000.—$ 65,000.
5. Vp-assistant media director	$32,000.—$ 45,000.
6. Assistant media director or media supervisor	$20,000.—$ 35,000.
7. Buying supervisor	$25,000.—$ 35,000.
8. Director out-of-home media	$25,000.—$ 40,000.
9. Media-planner	$12,000.—$ 25,000.
10. Media buyer	$12,000.—$ 25,000.
11. Assistant media planner	$10,000.—$ 12,000.

MEDIA RESEARCH

1. Senior vp-director	$50,000.—$ 75,000.
2. Associate director of research information	$28,000.—$ 50,000.
3. Media research supervisor	$22,000.—$ 30,000.

BROADCAST

1. Sr. vp-associate director	$65,000.—$100,000.
2. Vp-associate director	$45,000.—$ 70,000.
3. Vp-program director	$32,500.—$ 60,000.
4. Account executive	$25,000.—$ 40,000.
5. Syndication specialist	$25,000.—$ 55,000.
6. Broadcast assistant	$12,000.—$ 16,000.
7. Staff assistant	$10,000.—$ 12,000.

COMPUTER APPLICATIONS (MEDIA)

1. Director	$40,000.—$ 70,000.
2. Program & systems supervisor	$25,000.—$ 40,000.
3. Programer	$18,000.—$ 25,000.

Compensation package applicable to those at vp title and above

Package includes:	Deferred compensation	$ 5,000. to $10,000.
	Management bonus	$12,000. to $45,000.
	Stock options	100 to 2,000 shares
	Restricted stock	100 to 1,000 shares

Other benefits: Company car (usually new car every two years). Club dues, assessments, and expenses fully paid. All medical and dental bills 100% reimbursed. Company paid financial advisory service. Savings Plan (Company normally contributes 20¢ to 50¢ for every $1.00 invested, plus interest).

Major corporations

JOB TITLES

1. Vp-marketing services	$55,000.—$125,000.
2. Vp-advertising services	$40,000.—$ 90,000.
3. Vp-corporate communications	$50,000.—$ 70,000.
4. Media director	$40,000.—$ 80,000.
5. Associate media manager	$30,000.—$ 50,000.
6. Network negotiator	$30,000.—$ 50,000.
7. Manager, spot buying	$20,000.—$ 40,000.
8. Media planner/buyer	$14,000.—$ 20,000.

Compensation package applicable to those at v.p. title and above

Package includes: Bonus (0 to 20% at all levels). Deferred compensation (discretionary). Management bonus (discretionary). Stock options (discretionary).

Other Benefits: Tuition refund (depending upon corporation).

Source: Survey by Simmy Sussman

SALARIES (from 65)

The economy has created an unusual aspect to the talent supply. It has put the spotlight on the most easily relocatable candidate as opposed to the best person.

Like it or not, the costs have escalated to the point where advertisers and agencies find the relocation costs almost unbearable. The candidates who are single, living in rental situations, are "snapped up." The family people unfortunately in many cases have been separated for several months as the professionals went to new job locations alone. The spouse stayed behind to sell a home, have children finish school terms. The new employer has to absorb such costs as multiple visiting trips, enormous risks of temporary living accomodations, bridge loans, mortgage differentials, moving vans, transporting automobiles and pets — anything to get that special person.

New York's best trainees come from out-of-town

As advertising has become more spread out and sophisticated due to many agency acquisitions throughout the country, we have advised many agencies to attempt to recruit trainees from their local colleges and invest in them. When the kids get hired, they may start at salaries higher than New York, but they do not endure the enormous high cost of living and the lower salaries in the advertising meccas. We have conducted a fascinating study and have found the following:

1) The youngsters who have grown up outside of New York are very open and less jaded.

2) Those who have trained outside of New York have the ability to bring a new dimension to their work at the agencies. They have generally had more diversified experience.

3) They bring a fresh, new approach to their job.

4) They have generally done very well in New York and have been promoted within the large New York structures.

5) The out of town salaries, at the entry level are generally 20% higher than New York.

All costs are outrageous! Network costs, spot expenditures, publication rates and people costs.

All are going in direct opposition to the economy.

In the most trite terms, "the sky's the limit!"

Where will it end? Who knows?

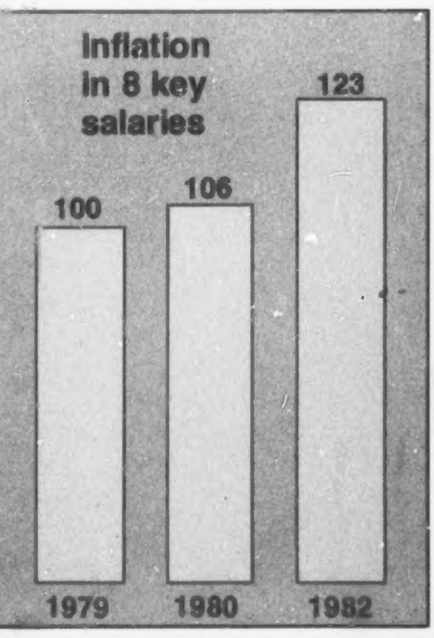
Once again, the laws of supply and demand are in force. So, don't skimp in attracting the newcomers. ■

Simmy Sussman: "The buying services are a tremendous area for growth in a Downward economy."

Change in top salaries of 8 key media decision makers

	1979	1980	1982
Major 4A's ad agencies			
Sen vp-media director	$80,000	$85,000	$100,000
Vp-assoc. media director	45,000	55,000	65,000
Media planner	25,000	25,000	25,000
Media buyer	20,000	23,000	25,000
Major corporations			
Vp-marketing services	$75,000	$85,000	$125,000
Vp-advertising services	60,000	60,000	90,000
Media director	65,000	60,000	80,000
Network negotiator	45,000	48,000	50,000

Source: Simmy Sussman Surveys.



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phasis on local market condition and bottler needs. It has been blessed as well by a creative campaign, featuring sun and surf scenes backed up by the Beach Boys pop song hit of over 15 years ago, "Good Vibrations." And, perhaps no less important, it features eye-catching orange and blue packaging that adds to its in-store visibility and consumer recognition.

Media expenditures for Sunkist have diminished since 1980, at least according to data from syndicated services. Of the $4.5 million reported for the brand last year, $4.2 million was in spot tv, and $114,000 in spot radio. Sunkist also uses the beverage industry trade publications, and in heavier doses than the competition, according to Larry Vodak, account supervisor at Foote Cone & Belding.

Some network television is being used this year, but President Mark Stevens has said he wants the introductory phase of the brand to be complete before Sunkist makes a major commitment to network. If brand growth continues, network tv will undoubtedly play a much larger role in the Sunkist media plan in 1983.

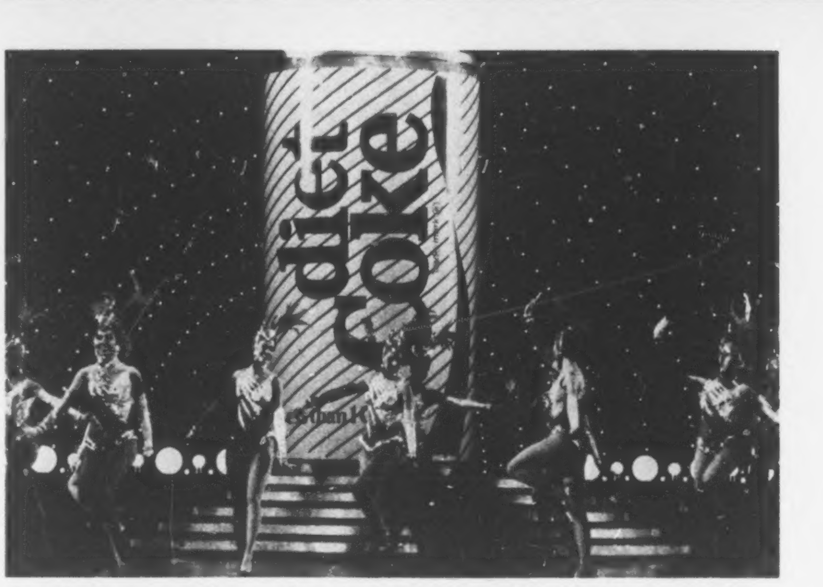
Sunkist is also playing a silent role in the caffeine controversy in the industry. Early this year, Sunkist quietly took the caffeine out of the product after extensive flavor testing. But, up to now, the removal of caffeine hasn't been made a copy point or product benefit for the brand. However, if the issue continues to develop, it is an ace up the sleeve for Sunkist in its marketing program.

Orange Crush

Despite its popularity in Denver, Crush hasn't taken the country by storm since the brand was purchased by Procter and Gamble two years ago. After changing agencies, P&G's latest move has been to reformulate the product, but media and distribution have pretty much remained at their pre-P&G levels.

The media outlay last year was a modest $4.5 million, and as is consistent with the P&G media stance, 98% of that total was invested in television.

Crush could be a formidable competitor to Sunkist, if and when P&G determines how it is going to handle bottler arrangements and distribution. But if inordinate effort is required for minimal returns, P&G may choose to dispose of its soft drink business, following the example set earlier this year by IT&T with its sale of C&C Cola to Shasta Beverages.



A rocketing sendoff was given to diet Coke at New York's Radio City Music Hall. The brand's new theme music was sung by jazz performer Bobby Short, and danced to by the Music Hall's Rockettes.

Conclusions

Coca Cola's expansion of its product line in the low calorie line signals a new phase in the industry. While it may not trigger a rash of new low-cal product introductions, it will put greater attention on the segment and force a rethinking of strategies among primary competitors, particularly Diet Pepsi and Pepsi Light, Diet Rite from Royal Crown, and the Dr Pepper and Seven-Up sugar-free versions.

Expenditures for diet soft drinks have been in the $10 million to $15 million range. Diet Coke's sudden infusion of up to $50 million annually puts the established diet soda brands in a difficult position. In a battle for visibility, they will all be vastly overshadowed by the awesome media presence of diet Coke.

The diet Coke introduction will force expanded budgets for the competitors, raising the question of where the additional funds will come from. A shifting of funds from high calorie regular brands is the most likely response.

Further pressure for media funds is added by the introduction of caffeine-free colas, if test market results indicate the desirability of national roll-outs.

What these moves pressage for the soft drink business is greater product segmentation, brand extension, and greater marketing and advertising expense to maintain or build brand share. Greater segmentation places additional pressure on every brand to maintain facings on supermarket shelves. If caffeine proves to be an issue with consumers, it could push established national brands into offering caffeine-free versions as an economical alternative to rolling out new brands to carry the caffeine-free banner.

The caffeine question also hurls a new challenge to creative in soft drink advertising. For over a decade, soft drink advertisers have been able to disregard product attributes in copy and indulge in the artistic freedom granted by life style messages. Usage situation rather than the product itself became the paramount theme in soft drink advertising. Frolicking children and rambunctious puppy dogs, leaping graceful bodies in pursuit of a frisbee, blossoming romances and beach parties, for so long a part of soft drink marketing mythology, may be forced to give way to straight talk about what is or isn't in the product, and how the ingredients can affect how the user feels.

Fred Gardner

media expert and a generalist.

That lightening fast hand attached to the desk top calculator belongs to an equally calculating mind. One that functions with the knowledge of:

- an assistant product manager: how does my product work? how is it manufactured? Why is it different and/or better?
- a sales manager: where are my sales coming from? where is the competition hurting us? which of my guys need help? who can I trust to handle their area with simple briefings and follow up? What can I do to enhance promotions and enhance the sales force?
- a psychiatrist: understanding what motivates prospects, what are they sensitive to?
- a researcher: having the analysis capabilities of Yankelovich or at least a Harvard Business School graduate.

With these areas to draw from, your planner must then practice the financial wizardry and bottom line respect of a chief financial officer, when developing the recommendation.

Granted, a lot of information comes from your account executive, but often it's the media department that digs out the sources that can be tapped.

Your product is not a cereal or a soap. It's not consumed by millions of people several times a year. There aren't the same volumes of research available to define and measure your market by units sold, dollar volume and competitive shares. There's no up-to-date central source that groups prospects by age, education, income, geography, leisure habits, purchasing influence and media consumption habits.

To get at this information, your planner has to dig for it. It comes from making thousands of phone calls, seeing hundreds of people, reading and saving articles and ads from publications in your industry, the advertisng industry, *The Wall Street Journal*, *Forbes* or maybe *People*.

Basically your planner is a pack rat, and those endless sheets of paper with quickly written notes are the ingredients used in developing a well thought out recipe for this year's communications plan. If you like it, you may want to ask to meet the chef. Bon Appetite! ■

PLAYBOY: In cautionary times, the best way to build share of market is by concentrating advertising in the largest, most efficient media. PLAYBOY is first among them.

In good times, you build your advertising programs in the same media to maximize profitability. Again, PLAYBOY is your basic buy.

The reason is simple. When you advertise in PLAYBOY, month after month, you reach almost 15 million men—men who buy an astounding one fourth of all spirits products. Men with a lust for life—and the means to live it well.

Which is why, good times or cautionary, the power of PLAYBOY is irrefutable.

**The Playboy reader.
His lust is for life.**

Source: MRI, Spring 1982 (Aud.)
& Fall 1981 (Prod./Mag.). © 1982 by Playboy.

CABLE

by WATSON S. "JAY" JAMES,
vp-video technology programing,
Doyle Dane Bernbach, Inc.

Zapping overrated in cable

A cursory glance at The New York *Times*' "Advertising" column on August 12th could have left one with the impression that cable subscribers do more commercial "zapping" than their non-cable counterparts. The column said, "A" subscribers who have remote control devices are three times more likely than those without such devices to switch stations to avoid commercials. The article went on to say that "cable makes zapping more attractive."

While judgmentally that may be true, there was nothing in the S.R.I. study to support this conclusion. The S.R.I. study did not measure "zapping" in *non-cable* homes, so cable versus non-cable comparisons are not possible. The "three times greater zapping" referred to by The New York *Times* had to do with the presence or absence of remote control. For all we know, non-cable viewers with remote control do as much "zapping" as cable viewers with remote control. And what the column *didn't* say was that there were other factors that caused much higher levels of channel-switching than the desire to avoid commercials, for example "program preference on another channel." In fact, relative to these other reasons, the incidence of commercial "zapping" was quite small.

When asked, "When you, yourself, turn on the television set in the evening, do you usually stay turned to the same channel until you turn the set off, or do you sometimes switch to different channels," 82% of the sample indicated that they sometimes switched. For subscribers with remote control, the percentage was 86.9% are shown in the Box "A."

At least 59.2% of all cable subscribers who sometimes switch channels do so for programing reasons. By comparison, only 5.9% do so in order to avoid commercials. Since we don't have a non-cable sample for comparison, we can't say whether this percentage is greater or smaller than among broadcast-only viewers. For the same reason, although 12.9% of viewers with remote control cite "commercials" as a reason for channel-switching versus 3.7% of viewers without remote control, we don't know how this behavior differs in non-cable households.

The preceding question was open-ended, allowing respondents to supply their own reasons for switching chan-

A: Reason for switching among cable subscribers

	Presence of remote control	Absence of remote control	Total
"Program preference on another channel"	49.9%	62.1%	59.2%
"Dislike/not interested in program"	47.2%	43.4%	44.3%
"To see what is on"	17.0%	10.6%	12.1%
"Commercial comes on"	12.9%	3.7%	5.9%

B: Switch because a commercial comes on

	Presence of remote control	Absence of remote control	Total
Often	28.3%	10.3%	14.3%
Sometimes	11.0%	12.2%	11.9%
Subtotal	39.3%	22.5%	26.2%
Practically Never	56.9%	71.6%	68.3%
Never	1.7%	1.4%	1.5%
Subtotal	58.6%	73.0%	69.8%
Don't know/no answer	2.1%	4.5%	4.0%

C: Last time watched primetime tv, number of times switched channels

	Presence of remote control	Absence of remote control	Total
0	69.6%	89.3%	84.9%
1-3 times	12.9%	6.3%	7.7%
4-6 times	8.5%	1.6%	3.2%
7+ times	6.0%	1.4%	2.4%
Don't know/No answer	2.9%	1.5%	1.8%

nels. The entire sample was then prompted with a series of questions about various reasons for switching channels. When specifically asked whether they switched channels "because a commercial comes on", the results were as shown in Box B.

Here, again we don't know how this reported behavior differs in non-cable homes. And, as statistical research cautions, "the term 'commercial' tends automatically to elicit an emotionally-charged response; many people know that they are expected to dislike commercials." In other words, there may be a bias toward higher reporting of "zapping" with a direct prompt like "because a commercial comes on." Nevertheless, even with this leading question, 69.8% of adult cable subscribers said they never or practically never "zap" commercials.

As a way of getting at actual behavior rather than the more theoretical behavior reported above, SRI asked respondents about their channel-switching during the *last* time they watched primetime tv. Here, again, there was a direct prompt about commercials. People were asked about how many times they switched channels because a commercial came on during the *last* time they viewed television in the evening. Including as "0" those persons who reported they practically never switch because a commercial comes on, the results are shown in Box C.

The conclusion we must draw from this is that about 15% of cable subscribers "zap" commercials on a given evening. Only 2.4% reported frequent commercial "zapping" (7 plus times). The incidence is obviously greater in homes with remote control than those without it.

We must be aware of the limitations of any study of this type. Based on the SRI study, the extent of commercial "zapping" by cable subscribers does not seem inordinate.

BUSINESS PRESS
by MARIE KACHINSKI
media director,
Arnold & Company Inc., Boston.

Better targeting begins at home

The need for reliable readership information in the trade press is repeated endlessly in any and all discussions. Seldom is the suggestion of proprietary research mentioned.

The burden of proof in our competitive world lies with the seller but the veracity of seller-supplied data is automatically questioned. It simply goes against the "show me" grain of American business to pay for research that would prove the worth or lack of same of another company.

Yet some simple probing would provide valuable information to enhance and protect the investment of advertising dollars to assure not only that a publication is received but that it fills a need and is recognized as doing so.

Brand Report 80:

Soft drinks

Dr Pepper
No Caffeine
7UP
16 ONE WAY BOTTLES 16
RC
Coke
Sunkist
PEPSI

After a down year in advertising, soft drink marketers came back strongly in 1982. Caffeine became an issue as Seven-Up and PepsiCo came out with caffeine-free colas. But industry leader, Coca-Cola, bet big on the diet Coke spin-off. For the first time in years, product benefit rather than life-style returned as a copy point.

Caffeine, controversy and diet Coke.

Those are the factors that have marked the first three quarters of 1982 in the soft drink business.

It looked like a typical year at the start but in early March, Seven-Up took the industry by surprise as it unveiled a campaign that made the absence of caffeine a key point in the brand's product benefit description. At first, the rest of the industry scoffed and then gradually responded.

Seven-Up added steam to the controversy it was whipping up over caffeine in soft drinks by introducing a caffeine-free cola, Like. Royal Crown swiftly followed suit by expanding its diet RC 100, which was caffeine-free, into a regular caffeine-free cola. By mid-summer, Pepsi responded with a caffeine-free cola, Free, in eight test markets, with heavy media support.

A caffeine-free cola from Coca-Cola USA would mean the market is for real, but Coca-Cola went in a different direction. Rather, the company chose to expand on the trade mark franchise with the introduction of diet Coke.

All of that made for a summer of high drama in the soft drink business.

Naturally with all that activity, media expenditures climbed. Seven-Up began to win back some business, and Coca-Cola was hoping to eat heavily into shares held by Diet Pepsi and Pepsi Light rather than take business away from its own low calorie share leader, Tab.

Dr Pepper, with its purchase of the Canada Dry brands from Norton Simon, Inc., last year, also showed increased sales momentum although media outlays remained about equal to previous totals.

Further consolidation in the soft drink business occurred when Shasta beverages acquired C&C Cola from International Telephone & Telegraph Co. in March. ITT had been rolling out C&C gradually on a state by state basis, developing each market before moving on to the next. The new campaign, which aired in August, attempts to give the brand flavor parity with Coke and Pepsi. The new spot tv campaign is running in New York and Los Angeles.

Soft drink expenditures tabulated by LNA/BAR for the six leading media showed that the industry total declined in 1981 for the first time in more than half a decade. Last year's total was $172,042,400 for regular carbonated soft drinks as compared with $190,888,700 in 1980.

The retrenchment was in part due to the poor economy. In tough times the industry generally shifts funds from advertising to take up the slack created by price discounting to stimulate sales. This year the trend is back to heavier advertising schedules; price discounting is less a factor than it was a year ago.

But ironically, while spending was going down, consumption of soft drinks rose 2.8% in 1981. Moveover, per capita consumption rose to a new high of 37.5 gallons last year, from 27 gallons in 1970, according to beverage industry analyst John Stacy.

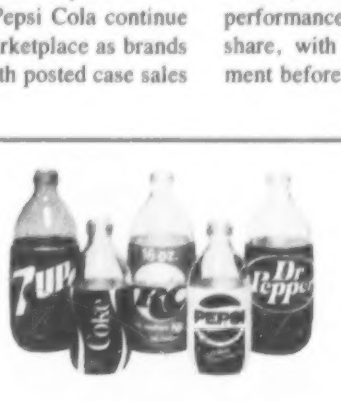
Coca-Cola and Pepsi Cola continue to dominate the marketplace as brands and companies. Both posted case sales gains, while the number three and four brands, Dr Pepper and Seven-Up, both showed case sale declines in 1981. But both, with just under five percent of the market, are not even within hailing distance of the second place position.

Coca-Cola USA and PepsiCo, between them with their consortium of brands, hold close to 60% of the U.S. carbonated soft drink market. And, as can be expected, the two soft drink giants dominate the industry in media investments.

Coca-Cola USA's combined share can be expected to climb this year and next as diet Coke rolls out, while the effect of PepsiCo's caffeine free cola on the company's share is not likely to be immediately dramatic.

At the bottom end of the top 10 brands, Sunkist continues its strong performance, ending 1981 with a 1.7% share, with 2% a likely accomplishment before the end of 1982.

Soft drink market 1981 media expenditures (in thousands of dollars)



Brand	Total	Magazines	Network tv	Spot tv	Net radio	Spot radio	Outdoor	Newspapers
Coca-Cola	45,730,100	215,100	15,202,700	30,446,100	—	6,231,400	2,547,800	1,087,000
Sprite	11,972,300	—	6,640,000	4,694,700	—	451,500	186,100	—
Tab	15,488,700	—	7,422,600	7,702,800	—	310,800	52,500	—
Canada Dry	10,729,600	1,241,800	3,706,100	4,675,100	—	913,600	29,400	163,900
Dr Pepper	11,435,900	—	7,428,000	2,158,800	—	1,455,100	116,200	277,700
Pepsi-Cola	31,199,500	—	4,447,600	18,470,300	—	6,871,600	729,000	671,100
Mountain Dew	12,992,400	—	2,896,200	7,947,100	—	2,112,500	36,100	—
Diet Pepsi	13,783,700	221,500	5,681,400	6,186,100	—	1,659,600	35,100	—
Pepsi Lite	5,133,200	—	—	5,057,700	—	65,299	10,300	—
Seven-Up	27,505,000	315,400	18,444,000	2,995,700	—	2,971,200	1,895,900	922,400
Diet 7-Up	8,046,300	974,100	5,242,900	932,700	—	896,000	—	—
RC 100	4,336,300	—	—	3,404,200	—	22,000	—	10,100
Diet Rite	5,119,600	192,300	—	4,902,100	—	25,200	—	—
Sunkist	4,439,600	—	—	4,174,100	—	114,000	86,800	64,700
Crush	3,084,800	—	25,700	3,054,700	—	—	5,200	—
A&W	5,432,700	—	2,210,000	1,036,100	1,285,200	832,600	—	77,200

Source: Leading National Advertisers, Broadcast Advertising Reports, Radio Expenditure Reports, Media Records

In media selection, spot television continues to be the darling of the industry. The $20 million decline in expenditures came almost entirely out of network television, which fell from $80.8 million in 1980 to $61.8 million last year. Spot tv slipped about 2%, from $102.3 million, to $100 million.

Pepsi Cola was the brand most responsible for the decline in network spending, as last year it cut its network investment from $20.5 million to $4.4 million. PepsiCo spokesman says network television spending has not declined and that LNA is in error. Other heavy users of network only trimmed net budgets slightly, Coca-Cola by about $1.5 million, and Seven-Up by $1.9 million, while maintaining spending levels above $15 million.

Here's how the soft drink leaders are advertising and marketing in the last half of 1982:

Mike Weinstein, vp marketing, A & W Beverages, uses network radio as a national base for a media program that includes network and spot tv.

Coca-Cola

The share leader of the industry continues to increase sales and dominate with ad expenditures. Individual bottlers still criticise Coca-Cola USA for past inflexibility, but are complimentary of chairman Roberto Goizuetta, company president Don Keough, and Coke USA president Brian Dyson.

The fact that in its advertising Coca-Cola USA has not responded to the Pepsi challenge campaign in local markets has been a bone of contention between bottlers and the parent company. Some bottlers believe the effect of the Pepsi challenge will simply dissipate with time. Jack Lupton, president of JTL Corp., the Coke bottler in Chattanooga, Tenn., recently commented, "I think the Pepsi Challenge will eventually neutralize itself. We're beginning to see signs of it already in Dallas. New Coca-Cola management has created an air of excitement that didn't previously exist," Lupton said.

Coke's newest campaign theme, the essence of simplicity, proclaims "Coke is it," accompanied in television 30 second spots by music and the expected life style situations.

Coke's television budget increased slightly last year, to $35,648,800 from $34,300,800 in 1981. The distribution differed, as the spot tv allocation climbed from $17 million to $20 million, and the network tv budget slipped from $16 million to $15 million. This indicates a heavier emphasis on local market conditions.

Coca-Cola continued its strong use of spot radio last year — $5.2 million — second largest outlay in the industry, and ventured into network radio with long form sponsorship of rock concerts on ABC and NBC's *The Source*. Unfortunately, these expenditures were missed by BAR in 1981.

This year, Coca-Cola is continuing its rock music sponsorship exclusively with the ABC Rock networks. Stacey Lippman, who was vp-associate media director at McCann-Erickson, Coke's agency, commented earlier, "Our post buy analysis shows that rock music and not television is the primary medium for young people. They just don't go to tv for the kind of involvement and fantasy they get with rock music. It's not just a cpm buy."

This year, Coca-Cola USA is buying 16 concerts on the ABC Rock Network, 10 going to the Coke brand, and six to Mellow Yellow. ABC has been able to break out audience data on a bottler area basis, and in some instances, Coca-Cola USA has been using reverse co-op, billing the rock sponsorship buy back against local bottlers, according to Lou Severen, at ABC Radio. He added that initially, the money for the rock concert buy was taken out of the network tv budget.

First quarter reports this year suggest that spending of the brand is remaining constant, but that was before the introduction of diet Coke. 1983 expenditures for diet Coke, president Brian Dyson has said, will run at about $50 million.

This year's outlay in the New York/New England market for the last five months of the year will run close to $10 million, with a spot tv blitz. National distribution is expected to be complete by mid-1983.

As distribution becomes national, media for diet Coke will expand. Rudy Bechtel, account supervisor at SSC&B said, "We'll be using print, radio, outdoor, everything. After all, this is a Coca-Cola product."

Diet Coke is positioned more as an extension of Coca-Cola than a hard core diet drink. The commercials are definitely not advertisements for anorexia nervosa or swim suit shape-ups.

While Coca-Cola USA won't say, the question is how much of the diet Coke budget comes out of the Coca-Cola regular budget. If the $50 million is a fresh infusion of money, it will bring the Coca-Cola brand budget to over $100 million, a Mt. Everest high in soft drink media expenditures.

Other Coca-Cola brands in the diet and rainbow flavor categories are supported at levels consistent with the competition. Tab led the field with $15,488,700. Network tv got $7.4 million, and spot tv $7.7 million.

Sprite, Coke's lemon/lime entry was backed by $11,972,300 in media, with a strong emphasis on network tv. A heavier presence there is necessitated by Seven-Up's strong commitment to network. But in spot tv, Sprite investments nearly doubled Seven-Up's expenditures.

Pepsi Cola

In its contest with Coca-Cola, Pepsi is generally granted to have won the battle for supermarket sales. But in vending machine and bulk syrup business, Pepsi still runs second to Coca-Cola.

And where Coca-Cola chose to bring out a brand extension, this year Pepsi took a leap into the unknown with its introduction of a caffeineless cola called Free. Whether there is a real market for a caffeine-free cola has yet to be determined.

Free has been launched in 11 test markets, Seattle, Spokane, Anchorage, San Diego, Phoenix, Los Angeles, Omaha, Oklahoma City, Milwaukee, Rochester, and Columbia, S.C.

PepsiCo announced that the product would be backed in its introduction with the equivalent of a $100 million national annual budget. This translates into very heavy local advertising levels in test markets. Media include spot tv, for which three 30 second spots were developed, a 60 second introductory radio spot, free standing inserts and coupon bearing print ads.

Rebecca Goeke, pr director at Pepsi, said that initial response to the product was strong, but it was too early to determine if it was consumer reaction or just enthusiasm at the trade level.

For the flagship brand, Pepsi Cola, there has been a gradual shift over to local media as the company has invested increasingly more money in this Pepsi Challenge campaign. Ms. Goeke said that the challenge campaign is now running in 80% of the country. As a consequence of this, "there has been a considerable shift to local media because the Challenge campaign is a local market activity. Consequently, spot expenditures are up. Network expenditures haven't gone down."

LNA/BAR shows a sharp decline in network expenditures which Pepsi says is incorrect.

Pepsi is finding that the Challenge campaign, started six years ago, has a long life indeed, and that so far there is no particular point in time where it automatically gets retired. "The taste platform has been good for us, and as long as we keep on winning at sampling booths, we'll continue with the Challenge campaign in the marketplace."

Seven-Up

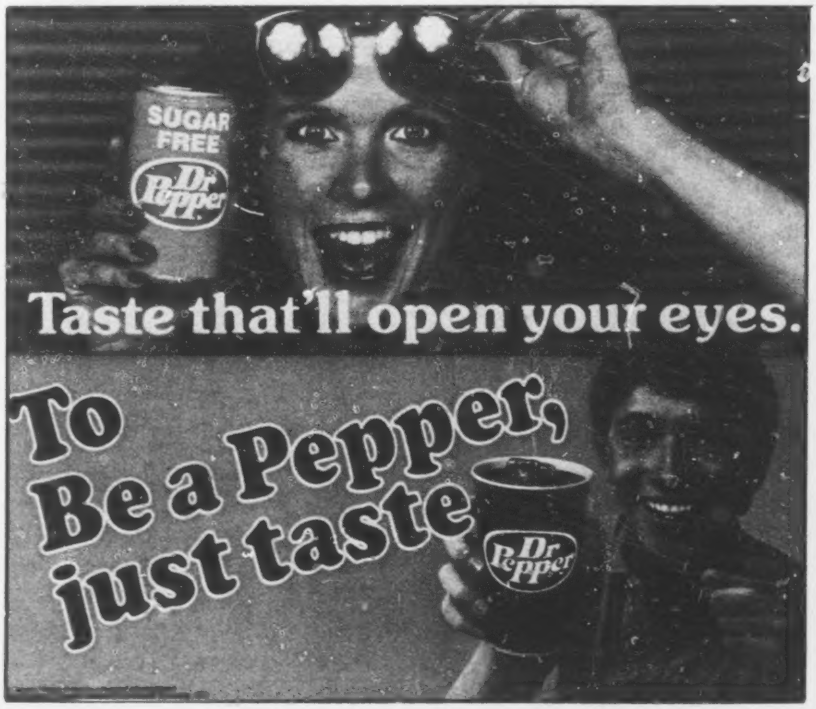
After three years trying to re-establish Seven-Up in the mainstream of soft drink advertising and consumption with its life style "Feeling Seven-Up" campaign, the Philip Morris-owned company took a stab in a different direction this year. In early March, Seven-Up launched its "caffeine-free, never had it" campaign, which made caffeine content an issue in the soft drink industry.

Earlier campaigns had established the Seven-Up image as the "uncola," and kept the brand in the number three spot in the business. But with its successor campaign, "feeling Seven-Up," the brand lost momentum and slipped back to fourth spot, edged out by Dr Pepper, despite a media budget that is triple Dr Pepper's.

The new campaign is apparently working, as the brand has posted sales gains of 5% since its inception.

Further changes in positioning and creative have displaced the array of sports stars in Seven-Up commercials and brought back the Trinidad actor and dancer Geoffrey Holder, who in previous years unzipped the uncola can with such aplomb.

Only recently have company officials conceded that the brand's uncola image was the most distinctive one it has had in the last 10 years. But since deciding to run with the no caffeine theme, Seven-Up appears on the road to a surer identity and stronger image.



Dr Pepper uses colorful outdoor postings in sunbelt locations to visually reinforce the tv and radio theme, "Be a Pepper." Dr Pepper outdoor expenditure in outdoor is the fourth largest among soft drink advertisers with national budgets.

A MOVING EXPERIENCE.

Feature-priced Sunkist really moves.

Every time you feature-price Sunkist … you generate more trial. Trial that's made Sunkist Orange Soda the fastest growing soft drink in America.

And we're going to keep on growing, because 80% of those who try us come back for more.

So when you feature-price Sunkist … you're not just selling extra cases, you're building long-term customers. And *that's* a very moving experience.

Sunkist and Coca Cola both use strong campaigns in beverage trade magazines to reach wholesalers.

The company's caffeine-free cola, Like, was introduced in early Summer in eight markets: San Diego, St. Louis, Norfolk, Albuquerque, Dayton, Phoenix, Madison and Rochester. A ninth market, Detroit, was added last month.

Media for Like include spot tv, newspapers, regional magazines and outdoor.

Seven-Up company is unwilling to discuss media weights in its test markets, but considering the weight Pepsi Cola entered with for Free, expenditures are probably comparable. The spending level for the flagship brand suggest that the company would go for a substantial effort for a new product.

A company spokesman said Like is "exceeding our expectations, which were reasonable."

1982 appears to be a turnaround year for Seven-Up as it goes back to its roots, being un-cola and un-caffeine.

Dr Pepper

Long a one flavor operation, Dr Pepper broadened its potential scope in the soft drink business with the acquisition of Welch's, and the Canada Dry brand from Norton Simon Inc. With that move, Dr Pepper became a flavor house. And fortunately, there is little if any cannibalization or competition likely to develop between the three brand lines.

Dr Pepper's rise to third position in sales was largely the result of being able to shed a regional flavor image and make a more national appeal. The most recent and long running campaign for the brand, "Be a Pepper," established a strong image for the brand with the under 25 demographic. A further measure of the campaign's effectiveness is how well it has done without overwhelming media presence, a 3.5% market share with a budget under $12 million.

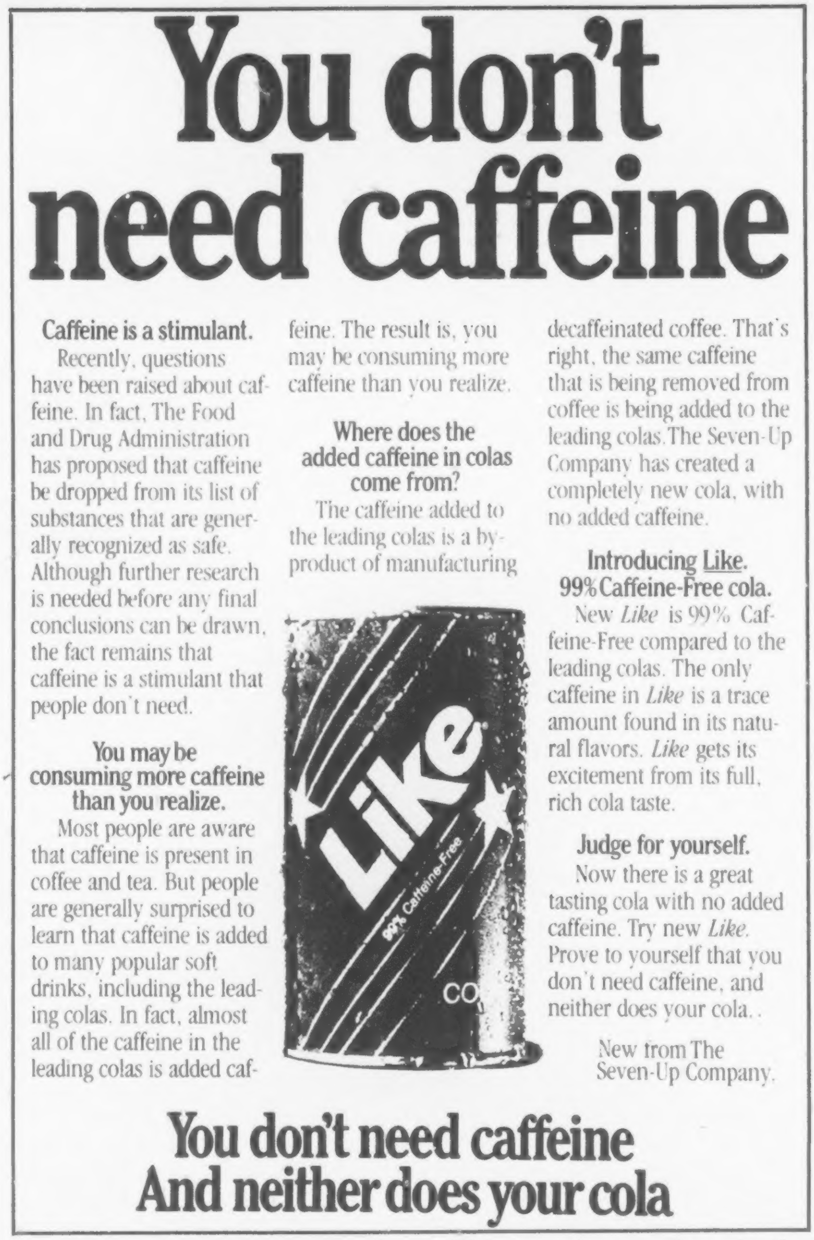
This year, Dr Pepper's agency, Young & Rubicam, developed a new set of lyrics for the campaign theme song and new graphics for billboards. The company also increased its co-op support program.

At the annual bottler convention, chairman of the board W. W. Clements stated, "To build a successful and growing franchise for Dr Pepper, effective and continuous consumer advertising is a must. We know that national network advertising, while important, can't do the job alone. It must be supported and strengthened by strong and continuous local media that is right for your market."

John R. Albers, senior vp, marketing, told bottlers, "in 1982, we will greatly increase the dollars for co-op local media. We will more than double the 1981 level. This will provide more total media dollars than ever for the brand."

Dr Pepper's management took a look at supermarket food ads and found the brand has gotten short shrift in this area. This is partly due to the fact that only 37% of the brand's sales comes from supermarkets, as compared with 58% average for the industry.

Thomas Kalahar, executive vp, marketing operations, commented, "One fact emerges from studying an analysis of grocery trade ads. Major cola brands, lemon lime brands, and


Like
99% Caffeine-Free
CO

Seven-Up launched its caffeine free cola, Like, with spot tv, spot radio and regional print in selected test markets, with strong anti-caffeine message.

You don't need caffeine

Caffeine is a stimulant.

Recently, questions have been raised about caffeine. In fact, The Food and Drug Administration has proposed that caffeine be dropped from its list of substances that are generally recognized as safe. Although further research is needed before any final conclusions can be drawn, the fact remains that caffeine is a stimulant that people don't need.

You may be consuming more caffeine than you realize.

Most people are aware that caffeine is present in coffee and tea. But people are generally surprised to learn that caffeine is added to many popular soft drinks, including the leading colas. In fact, almost all of the caffeine in the leading colas is added caffeine. The result is, you may be consuming more caffeine than you realize.

Where does the added caffeine in colas come from?

The caffeine added to the leading colas is a by-product of manufacturing decaffeinated coffee. That's right, the same caffeine that is being removed from coffee is being added to the leading colas. The Seven-Up Company has created a completely new cola, with no added caffeine.

Introducing Like. 99% Caffeine-Free cola.

New *Like* is 99% Caffeine-Free compared to the leading colas. The only caffeine in *Like* is a trace amount found in its natural flavors. *Like* gets its excitement from its full, rich cola taste.

Judge for yourself.

Now there is a great tasting cola with no added caffeine. Try new *Like*. Prove to yourself that you don't need caffeine, and neither does your cola..

New from The
Seven-Up Company.

You don't need caffeine And neither does your cola

even the flavors get a share of features ad support about equal to their share of market. But Dr Pepper's share of ads is less than its share of sales in all but a few markets." Kalahar believes the local bottlers must sell harder to the grocery trade to redress the balance.

And the problem of shelf space was also addressed by vp consumer marketing, William Schemmerhorn. Dr Pepper has placed highly in the Video Storyboard study that asks, "What is your favorite television commercial?" In 1981, Dr Pepper placed second, ahead of every other soft drink and second only to Miller Lite beer.

Schemmerhorn then asked, "If Dr Pepper's advertising is so great, why aren't sales any better?" Pricing, shelf space and bottle size were found to be the factors that had a depressing effect on sales, he said.

A&W

United Brands' A&W brand has gradually become one of the heavier spenders among second-tier soft drinks. Last year's expenditures were in the $6 million range, and the budget for 1982 will run close to $10 million, according to vp of marketing Mike Weinstein.

A&W has been the media maverick of the industry, the first to revive the use of network radio. A&W was able to make that move because it places all the brand's advertising and doesn't provide co-op allowances for local bottlers. The bottlers occasionally become disgruntled over the network buy, which may come in on the second or third rated station in a given market. "From the local bottler point of view, we may seem to be coming in on the wrong station, but from our point of view we think we're doing a better job this way. We also supplement in a local market with spot radio where we have a low rated network affiliate," Weinstein said.

"Network radio is an efficient vehicle for us to reach our target audience. We get into a lot of markets at a low cost. This year, we're using five networks, including NBC's The Source and ABC in a scatter plan buy. We're not sponsoring rock concerts this year. So network radio is our national advertising base."

Weinstein said, "We also use a significant amount of network and spot television, and there we do a lot of flighting."

Theme for A&W this year is "Get that frosty mug sensation," which is used in radio and television.

Print is confined "to newspapers as a coupon delivery vehicle and on an opportunity basis," Weinstein said. "We're not using any other print."

With its scatter plan buy of network radio, A&W gets dominance in a medium at minimum cost because other soft drink marketers are only now beginning to give it serious consideration.

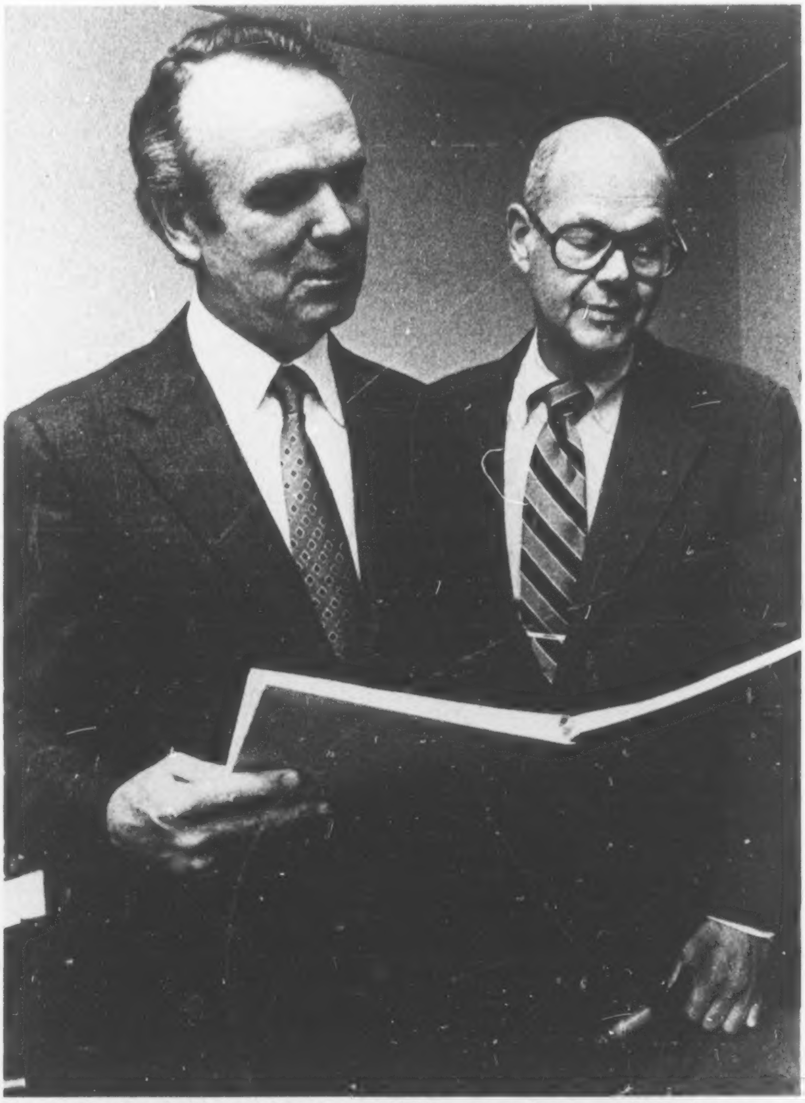
Sunkist

The surprising upstart of the industry continues its three year pattern of success. Last year it made the top 10 in sales with a 1.7% share, and is pressing ahead toward a 2% share by year's end.

Sunkist is a brand that has been established by spot tv, with primary em-

SMRB: fewer readers per copy

The 1982 Study of Media and Markets reports lower readers per copy figures over-all for consumer magazines, but the pass-along audiences reported vary from almost nine times the original recipients to less than double.



Frank Stanton (left), president, and Ed Barz, senior vp of SMRB are undaunted by controversies that sweep field of audience research.

First punches were thrown in the annual fall magazine audience research roughhouse last month. Simmons Market Research Bureau (SMRB) was first out with its total audience figures. Mediamark Research, Inc. (MRI) is due out with its versions of THE TRUTH about total audiences, pass-along multiples, demographics and all the rest of it shortly after this issue goes to press.

Frank Stanton and Ed Barz of SMRB got in the ring ahead of Timothy Joyce and Alain Tessier of MRI. And Stanton and Barz made the most of the opportunity to establish the validity of their new data. They pointed out that the 1982 Study of Media and Markets is designed to match the criteria for research of this kind handed down last year by the 4A's as follows:

- **Measurement** of over 100 magazines; Simmons measures 108.
- **Use of "issue-specific"** method on all magazines measured.
- **Recognition of editorial content** by respondents as proof of readership; Simmons shows them the cover of an issue, plus up to nine articles.
- **Larger sample size;** Simmons sample is 19,000 adults, was previously 15,000 — number of interviews now 35,000, was 27,000.

The data is so voluminous that it will be published in 43 volumes, with cross-tabs available through the time-sharing data processing centers — and

Magazine total adults in 1982 Simmons

	Average circulation	Readers per copy	Total audience
Barron's	266,000	3.28	874,000
Better Homes & Gardens	8,053,000	2.61	21,045,000
Bon Appetit	1,261,000	2.37	2,987,000
Business Week	775,000	5.39	4,173,000
Car & Driver	686,000	3.88	2,658,000
CBS Mag. Ntwk (net)	1,629,000	3.65	5,946,000
CBS Mag. Ntwk (gross)	1,629,000	4.21	6,865,000
Changing Times	1,479,000	1.85	2,741,000
Conde Nast Pkg. (net)	5,174,000	2.33	12,039,000
Conde Nast Pkg. (gross)	5,174,000	3.22	16,653,000
Cosmopolitan	2,586,000	3.71	9,596,000
Country Living	658,000	2.82	1,854,000
Cuisine	754,000	2.29	1,726,000
Cycle World	331,000	6.72	2,228,000
Decorating & Craft Ideas	734,000	3.28	2,410,000
Dec. & Craft/So. Living (net)	2,800,000	2.53	7,085,000
Dec. & Craft/So. Living (gross)	2,800,000	2.63	7,366,000
Discover	808,000	2.01	1,674,000
Ebony	1,251,000	5.48	6,851,000
Esquire	672,000	3.49	2,345,000
Essence	693,000	3.89	2,697,000
Family Circle	6,911,000	2.61	18,033,000
Family Handyman	1,114,000	2.81	3,134,000
Family Weekly	12,305,000	2.07	25,520,000
Field & Stream	2,036,000	3.94	8,023,000
Forbes	733,000	2.89	2,123,000
Fortune	616,000	4.33	2,666,000
Gentlemen's Quart.	477,000	4.39	2,093,000
Glamour	1,934,000	3.00	5,754,000
Golf Digest	979,000	2.20	2,157,000
Golf Dig./Tennis (net)	1,437,000	2.22	3,195,000
Golf Dig./Tennis (gross)	1,437,000	2.25	3,228,000
Golf Magazine	692,000	2.65	1,833,000
Golf Mag./Ski (net)	1,077,000	3.36	3,621,000
Golf Mag./Ski (gross)	1,077,000	3.46	3,727,000
Good Housekeeping	5,115,000	3.47	17,765,000
Harper's Bazaar	634,000	4.97	3,150,000
Health	863,000	2.69	2,321,000
Hearst Mag. Corp. (net)	17,164,000	2.40	41,275,000
Hearst Mag. Corp. (gross)	17,164,000	3.40	58,306,000
Hearst Men's Pkg. (net)	2,554,000	3.89	9,944,000
Heart Men's Pkg. (gross)	2,554,000	4.30	10,977,000
House Beautiful	855,000	5.25	4,492,000
Industry Week	299,000	2.39	714,000
Inside Sports	547,000	6.02	3,292,000
Jet	670,000	9.04	6,057,000
Ladies Home Jrnl.	5,284,000	2.64	13,961,000
LHJ/Fam. Grp. (net)	7,290,000	2.39	17,441,000
LHJ/Fam. Grp. (gross)	7,290,000	2.61	19,054,000
Life	1,347,000	6.98	9,402,000
L.A. Times Home Mag.	1,318,000	2.20	2,893,000
Mademoiselle	1,102,000	3.35	3,690,000
McCall's	6,373,000	2.38	15,142,000
Mechanix Illust.	1,607,000	2.90	4,661,000
Metropolitan Home	737,000	1.52	1,120,000
Money	1,090,000	3.34	3,646,000
Monthly Mag. Food & Wine	356,000	2.16	769,000
Ms.	472,000	2.77	1,306,000
National Enquirer	4,516,000	3.46	15,623,000
National Geographic	8,555,000	2.40	20,566,000
Natl. Supp. Pkg. (net)	52,581,000	1.87	98,145,000

	Average circulation	Readers per copy	Total audience
Natl. Supp. Pkg. (gross)	52,581,000	2.10	110,281,000
Natural History	463,000	2.41	1,116,000
Newsweek	2,987,000	5.47	16,345,000
New York (incl. Cue)	440,000	2.72	1,198,000
N.Y. Times Daily	922,000	3.25	3,035,000
N.Y. Times Magazine	1,499,000	2.63	3,944,000
New Yorker	480,000	4.88	2,344,000
Omni	622,000	4.56	2,833,000
1001 Home Ideas	1,144,000	2.42	2,772,000
Organic Gardening	1,286,000	2.76	2,911,000
Oui	551,000	3.10	1,705,000
Outdoor Life	1,486,000	3.40	5,047,000
Parade	22,008,000	1.98	43,573,000
Parents	1,635,000	2.41	3,938,000
Penthouse	3,317,000	1.95	6,587,000
People	2,349,000	8.76	19,403,000
Playboy	4,471,000	2.45	11,134,000
Popular Hot Rodding	241,000	9.86	2,373,000
Popular Mechanics	1,543,000	4.02	6,197,000
Popular Science	1,653,000	2.77	4,585,000
Prevention	2,419,000	1.70	4,114,000
Psychology Today	AUDIENCE DATA NOT SHOWN/CHANGE IN RATE BASE		
Reader's Digest	18,517,000	2.11	39,066,000
Redbook	4,334,000	2.00	8,679,000
Road & Track	588,000	4.53	2,666,000
Rolling Stone	736,000	5.47	4,021,000
Runner's World	331,000	2.98	986,000
Sat. Eve. Post	607,000	3.64	2,209,000
Science Digest	479,000	2.69	1,291,000
Science 82	754,000	1.92	1,451,000
Scientific American	567,000	3.35	1,883,000
Self	1,023,000	2.26	2,310,000
Seventeen	1,384,000	2.25	3,110,000
Ski	385,000	4.97	1,894,000
Smithsonian	1,955,000	2.31	4,520,000
Soap Opera Dig.	582,000	5.79	3,372,000
Southern Living	2,065,000	2.40	4,956,000
Sport	939,000	3.98	3,734,000
The Sporting News	465,000	3.97	1,848,000
Sports Afield	532,000	6.56	3,489,000
Sports Illustrated	2,419,000	5.48	13,248,000
Star	3,385,000	3.06	10,348,000
Sunday (net)	22,723,000	2.09	47,382,000
Sunday (gross)	22,723,000	2.17	49,300,000
Sunset	1,408,000	2.46	3,464,000
Tennis	457,000	2.34	1,071,000
Time	4,561,000	4.54	20,699,000
Town & Country	296,000	4.07	1,203,000
Travel & Leisure	899,000	2.07	1,863,000
True Story	1,446,000	2.58	3,732,000
TV Guide	17,782,000	2.04	36,334,000
US	1,022,000	3.50	3,582,000
U.S. News & World Rep.	2,109,000	4.39	9,259,000
Vogue	1,115,000	4.36	4,858,000
Wall St. Journal	2,035,000	3.09	6,291,000
Woman's Day	6,705,000	2.36	15,825,000
Working Mother	371,000	2.36	875,000
Working Woman	487,000	2.23	1,088,000
World Tennis	365,000	1.68	614,000
Ziff-Davis Mag. Net. (net)	3,319,000	2.94	9,767,000
Ziff-Davis Mag. Net (gross)	3,319,000	3.66	12,156,000

making use of three databases: Clusterplus (Donnelley Marketing's 72 million household compendium); PRIZM (the Claritas geo-demographic market segments); and VALS (SRI International's value/lifestyle segments).

The most used volume put out by SMRB, however, will probably be a one-fold pocketpiece giving total audience and readers per copy for all adults, men and women for each of the magazines, except one. The exception is *Psychology Today*, for which audience data is not shown because of change in rate base circulation. The key figure is readers per copy for each book, the basis for extending average circulation to total audience. When MRI's readers per copy figures come out, the in-fighting between magazine will heat up, with research services trying to keep out of the line of fire.

Also measured by SMRB were audiences for tv (based on two-week diaries, plus a roster of special events); newspapers (reports of "read yesterday"); radio (based on "yesterday listening"); outdoor (collected in a map recall questionnaire); Yellow Pages (collected along with product information in terms of "do you use"); cable and pay tv (also based on product information about "cable subscriptions").

The product information that is available for cross-tabing with the media data is more voluminous than ever. It covers 750 product and service categories and 3,500 individual brands. Added this year are 41 categories and 270 brands.

Individual respondents are described by 24 demographics (age, sex, occupation, race, presence of children, etc.) 20 psychographics (amiable, self-assured, stubborn, etc.); and 10 buying styles (cautious, impulsive).

The sample is a national probability configuration of 19,000 households in all continental U.S. states — oversampled in high-income households, then weighted to reflect the true U.S. cross-section. The magazine and newspaper data comes out of 35,000 individual interviews in these households. The product data comes from 15,000 self-administered questionnaires. The broadcast data comes from 8,000 interviews and two-week diaries of personal viewing.

Multiple issue readership of magazines is developed by re-interviewing the same respondents after a four-week lapse. Radio and newspaper cumes are secured via two interviews.

Household recovery rate is approximately 75%.

Frank Stanton, president of SMRB, reports that many clients requested comparisons of audience estimates from the new study compared directly with those of prior years. So he issued a special report covering the questions asked most frequently at the same time he released the 1982 study. The users of the research were apparently most concerned about the change in methodology in measurement of some of the books, a subject that was considered highly controversial last year.

In 1981, 39 of the magazines that were measured by the through-the-book technique this year were measured by calibrated frequency. ■

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MEDIA COST INDEX (continued)

Black bars index for 1981; red bars 1982; base year 1977